ALAGAPPA UNIVERSITY

[Accredited with 'A+' Grade by NAAC (CGPA:3.64) in the Third Cycle and Graded as Category–I University by MHRD-UGC]

(A State University Established by the Government of Tamil Nadu)

KARAIKUDI – 630 003



Directorate of Distance Education

Master of Social Work

IV - Semester

349 42

CORPORATE SOCIAL RESPONSIBILITY

Prof. Dr. P. Ninan John, *Retired Professor, Department of Social Work, Madras Christian College, Tambaram, Chennai*

SYLLABI-BOOK MAPPING TABLE

Corporate Social Responsibility

Syllabi	Mapping in Book
BLOCK - I: SOCIAL RESPONSIBILITIES, EVOLUTION OF CSR, SUPPLY CHAIN RESPONSIBILITIES, STAKEHOLDER ENGAGEMENT, CAUSE AND SOCIAL MARKETING, ENVIRONMENTAL RESPONSIBILITY **Unit- I :** Social responsibilities: Corporate social responsibilities - meaning, definition and scope of CSR. **UNIT-II:** Evolution of CSR - CSR, sustainability, public private partnership, corporations role in climate change. **Unit-III:** Supply chain responsibility, stakeholder engagement, cause and social marketing, environmental responsibility.	**Unit 1:** Social Responsibilities: Corporate Social Responsibilities – Meaning, Definition and Scope of CSR **(Pages 1-9)** **Unit 2:** Evolution of CSR - CSR, Sustainability, Public Private Partnership, Corporations Role in Climate Change **(Pages 10-20)** **Unit 3:** Supply Chain Responsibility, Stakeholder Engagement, Cause and Social Marketing, Environmental Responsibility **(Pages 21-34)**
BLOCK - II: CSR AS ECONOMIC DEVELOPMENT AND CSR IN CULTURAL CONTEXT, STAKEHOLDERS AND PERSPECTIVE AND DESIGNING A CSR POLICY **Unit-IV:** Socially responsible investing, sustainability reporting, transparency and human rights; CSR as economic development and CSR in cultural context. **Unit-V:** Stakeholders and perspectives - interest groups related to CSR - tools of CSR- business benefits of CSR. **Unit-VI:** Designing a CSR policy - factors influencing CSR policy - managing CSR in an organisation - role of HR professionals in CSR. **Unit-VII:** Global recognitions of CSR - ISO 14000 - SA 8000 - AA 1000 - codes formulated by UN global compact- UNDP, global reporting initiative.	**Unit 4:** Socially Responsible Investing, Sustainability Reporting, Transparency and Human Rights; CSR as Economic Development and CSR in Cultural Context **(Pages 35-48)** **Unit 5:** Stakeholders and Perspectives - Interest Groups Related to CSR - Tools of CSR- Business Benefits of CSR **(Pages 49-66)** **Unit 6:** Designing a CSR Policy - Factors Influencing CSR Policy - Managing CSR in an Organisation - Role of HR Professionals in CSR **(Pages 67-74)** **Unit 7:** Global Recognitions of CSR - ISO 14000 - SA 8000 - AA 1000 - Codes Formulated by UN Global Compact - UNDP, Global Reporting Initiative **(Pages 75-88)**
BLOCK - III: IMPLEMENTING CSR, CSR IN THE ECOLOGICAL ENVIRONMENT AND TATA POWER **Unit-VIII:** Implementing CSR- CSR in the marketplace- CSR in the workplace - CSR in the community. **Unit-IX:** CSR in the ecological environment - case studies: Lifebuoy soaps “Swasthya Chetna”, it’s e-choupal venture, titan industries limited. **Unit-X:** TATA power; tools for communicating CSR (Skill building): social media, films and reports and development strategic partnerships.	**Unit 8:** Implementing CSR - CSR in the Marketplace - CSR in the Workplace - CSR in the Community **(Pages 89-104)** **Unit 9:** CSR in the Ecological Environment - Case Studies: Lifebuoy Soaps “Swasthya Chetna”, It's E-Choupal Venture, Titan Industries Limited **(Pages 105-123)** **Unit 10:** Tata Power; Tools for Communicating CSR (Skill Building): Social Media, Films and Reports and Development Strategic Partnerships **(Pages 124-133)**
BLOCK- IV: CSR IN INDIA, LEGAL PROVISIONS AND SPECIFICATIONS ON CSR **Unit-XI:** CSR in india : an overview of CSR, rules under companies Act 2013. **Unit-XII:** Legal provision and specifications on CSR - TCCI (TATA council for community initiatives).	**Unit 11:** CSR in India: An Overview of CSR, Rules Under Companies Act 2013 **(Pages 134-138)** **Unit 12:** Legal Provisions and Specifications on CSR - TCCI (Tata Council for Community Initiatives) **(Pages 139-147)**
BLOCK-V: TATA MODEL ON CSR AND CSR AWARDS IN INDIA **Unit-XIII:** TATA model on CSR - national CSR hub, TISS Mumbai - success and failure with CSR initiatives. **Unit-XIV:** CSR awards in India - Role of Social Worker in CSR.	**Unit 13:** Tata Model on CSR - National CSR Hub, TISS Mumbai - Success and Failure with CSR Initiatives **(Pages 148-158)** **Unit 14:** CSR Awards in India - Role of Social Worker in CSR **(Pages 159-164)**

CONTENTS

BLOCK – I
SOCIAL RESPONSIBILITIES, EVOLUTION OF CSR, SUPPLY CHAIN RESPONSIBILITIES, STAKEHOLDER ENGAGEMENT, CAUSE AND SOCIAL MARKETING, ENVIRONMENTAL RESPONSIBILITY

Unit-I SOCIAL RESPONSIBILITIES: CORPORATE SOCIAL RESPONSIBILITIES – MEANING, DEFINITION AND SCOPE OF CSR

Structure

1.1 INTRODUCTION TO SOCIAL RESPONSIBILITIES

Social responsibility is an ethical framework that suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large. From a business perspective, it can be defined as the consistent commitment to behave in an ethical manner and contribute to economic development while improving the quality of life of a company's employees and their families—as well as local communities, the environment, and society as a whole.

Corporate social responsibility (CSR) is also often referred to as business responsibility and an organisation's action on environmental, ethical, social and economic issues. The terms in the area can seem confusing if you don't know the jargon - but don't be put off by this. A well-run business is transparent in its decision-making and processes and this makes for good governance.

CSR can be described as an approach by which a company does the following: Recognises that its activities have a wider impact on the society in which it operates, and that developments in society in turn impact on its ability to pursue its business sustainably. Actively manages the economic, social, environmental and human rights impact of its activities both locally and across the world, basing these on principles which reflect both international values and the organisations own values (ethics), reaping

benefits for both its own operations and reputation as well as the communities in which it operates. Seeks to achieve these benefits by working closely with other groups and organisations – local communities, civil society groups, other businesses and home and host governments. The new concept of **Corporate Social Responsibility** has been **introduced** under section 135 of the Companies Act, 2013 and Companies (**Corporate Social Responsibility**) rules, 2014. India is the first country in the world to **introduce** statutory **Corporate Social Responsibility** (**CSR**) through the new Companies Act, 2013.

1.2 CORPORATE SOCIAL RESPONSIBILITIES – MEANING, DEFINITION

MEANING

Corporate Social Responsibility (CSR) refers to transparent business practices that are based on ethical values, and respect for people, communities, and the environment. While there is no universally accepted definition of the term, United Nations Industrial Development Organisation (UNIDO) defines CSR as a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

Corporate Social Responsibility (**CSR**) is when a company operates in an ethical and sustainable way and deals with its environmental and social impacts. This means a careful consideration of human rights, the community, environment, and society in which it operates.

CSR strategies encourage the company to make a positive impact on the environment and stakeholders—that is, all of the parties who have a stake in the performance and output of the corporation. Stakeholders include the company's employees, unions, investors, suppliers, consumers, local and national governments, and communities that may be affected by corporate activities such as construction, manufacturing, and pollution.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line-Approach"), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.

Promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability. UNIDO based its CSR programme on the Triple Bottom Line (TBL) Approach, which has proven to be a successful tool for SMEs in the developing countries to assist them in meeting social and environmental standards without compromising their competitiveness. The TBL approach is used as a framework for measuring and reporting corporate performance against economic, social and environmental performance. It is an attempt to align private enterprises to

the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations.

DEFINITION:

- CSR refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. It goes beyond the occasional community service action, however, as CSR is a corporate philosophy that drives strategic decision making, partner selection, hiring practices and, ultimately, brand development - ***South China Morning Post, 2002***
- The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time -***Archie B. Carroll, 1979.***
- CSR is about businesses and other organizations going beyond the legal obligations to manage the impact they have on the environment and society. In particular, this could include how organizations interact with their employees, suppliers, customers and the communities in which they operate, as well as the extent they attempt to protect the environment - ***The Institute of Directors, UK, 2002.***
- **Corporate social responsibility** (CSR) can be simply and broadly defined as the ethical role of the corporation in society. The aim of CSR is to increase long-term profits and shareholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. It isn't enough for companies to generate a profit and merely meet the letter of the law in their business operations. Today, many U.S. citizens expect them to generate a profit *and* conduct themselves in an ethical and socially responsible manner.
- According to Bowen (1953), CSR is defined as 'the obligation of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of society'.

1.3 PRINCIPLES OF CSR

Basic Principles of CSR

Sustainability

- The actions taken in the present affects the options available in the future for everyone and sustainability refers to the actions which help make the future better for future generations.
- The resources available are limited and if they are all utilized in the present, they will not be available for the future use.
- So it is necessary to look for alternatives which would help replacing the function of currently used resources.

- As the resources are depleted, their availability decreases and hence lead to increase in its price. So to keep the cost of organizations lower in the future, it is necessary to use the current available resources optimally.
- So implication of sustainability is that society must use no more of a resource than can be regenerated.
- If we take example of paper industry, the harvested trees should be replaced by replanting trees which has the effect of retaining costs in the present rather than temporally externalizing them.
- Viewing an organization as part of a wider social and economic system implies that these effects must be taken into account, not just for the measurement of costs and value created in the present but also for the future of the business itself.
- Measures of sustainability can be the rate at which resources are consumed by the organization in relation to the rate at which resources can be regenerated.
- Unsustainable operations can be accommodated for either by developing sustainable operations or by planning for a future lacking in resources currently required.
- In practice organizations mostly tend to aim towards less unsustainability by increasing efficiency in the way in which resources are utilized.

Accountability

- An organization should recognize that its actions affect the external environment and therefore have to assume responsibility for the effects of its actions.
- This implies for quantification of the effects of actions taken, both internal to the organization and externally and all the quantifications should be reports to all the parties affected by those actions.
- This concept recognizes that the organization is part of a wider societal network and has responsibilities to all of that network rather than just to the owners of the organization.
- Accountability therefore necessitates the development of appropriate measures of environmental performance and the reporting of the actions of the firm.
- This leads to more costs to the organization in developing, recording and reporting such performance and to be of value the benefits must exceed the costs. Benefits must be determined by the usefulness of the measures selected to the decision-making process and by the way in which they facilitate resource allocation, both within the organization and between it and other stakeholders.
- The characteristics of the reporting are as follows:
  - Understandability to all parties concerned.
  - Relevance to the users of the information provided.

- Reliability in terms of accuracy of measurement, representation of impact and freedom from bias.
- Comparability, which implies consistency, both over time and between different organizations.

- The report will also consists of qualitative facts which will inhibit comparability over time and will tend to mean that such impacts are assessed differently by different users of the information, reflecting their individual values and priorities.
- There is a lack of proper understanding of effects of the actions of the organization along with the judgmental nature of relative impacts and this leads to existence of only few standard measures for the accountability.
- This also then restricts the inter-organization comparison of such reports.

Transparency

- The external impact of the actions of the organization have to be reported and the facts contained in the report should not be disguised.
- Thus all the effects of the actions of the organization, including external impacts, should be apparent to all from using the information provided by the organization's reporting mechanisms.
- Transparency is of importance to external users of such information as these users lack the background details and knowledge available to internal users of such information.
- Transparency therefore can be seen to follow from the other two principles and equally can be seen to be a part of the process of recognition of responsibility on the part of the organization for the external effects of its actions and equally part of the process of transferring power to external stakeholders.

1.4 SCOPE OF CSR

Corporate Social Responsibility is a significant term in today's world of growing industrialization, increasing privatisation and emergence of a more socially conscious consumer class. It can be seen as a paradigm shift in the roles and responsibilities of corporations from being mere profit-making entities to directing their resources for the development and growth of the society at large.

The gradual evolution of society, the emergence of social movements, the influence of NGOs and change in the attitude of the government have led to the growth of higher consumer consciousness and awareness, all over the world. This, together with an increased inclination of corporations to contribute to the process of development, led them to instigate the practice of Corporate Social Responsibility.

The scope of Corporate Social Responsibility extends to a corporation's duties towards four social groups, namely, the shareholders or investors, the employees or workers, the consumers or customers and the community at large. These groups are the four domains of social responsibility of business. The main concern of a corporate entity is to fulfil its obligations towards these four social groups.

A corporation must see to the fact that the investors are rewarded with returns upon their investments. It also has a moral and legal obligation towards its employees and workers. Corporations and organisations have specific responsibilities towards their customers in terms of production and marketing of functional, safe and value for money products. An organisation has an indirect duty towards local traders who may be affected by its operations. According to several social scientists, a corporation has a direct impact on the natural environment and may significantly affect future generations. Thus, a corporation has a multi-faceted effect on society.

Trademark Registration Online in India

India, at present, is booming with industries both national and multi-national. But social evils like poverty, population explosion, illiteracy, corruption, environmental pollution pose as real threats to the companies which are looking forward to establishing an equitable partnership between civil society and business. Hence, it is more mandatory for Indian companies to be sensitized to the ideals of Corporate Social Responsibility. The enactment of Section 135 of the Companies Act, 1956 (as amended up-to-date) is a major step taken by the government to sow the seeds of Corporate Social Responsibility.

The Ministry of Corporate Affairs, in India, has released a Circular on Frequently Asked Questions (FAQs) to look after the proper implementation of Corporate Social Responsibility. The Circular is with regards to Section 135 of the Companies Act, 2013 and has come upon the heels of a report submitted by the High-Level Committee which had been set up by the Ministry to suggest measures for revamping the monitoring of the Corporate Social Responsibility policies.

According to Section 135 of the Companies Act, 2013, every company having a net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year, shall constitute a Corporate Social Responsibility of the Board. The Circular emphasises the fact that the government does not have an active role in monitoring activities related to Corporate Social Responsibility.

It makes it obligatory on the Board to ensure the quality and effectiveness of Corporate Social Responsibility projects. The Circular also clarifies that neither does the government have a role in the appointment and removal of appropriate authorities for approving and improving Corporate Social Responsibility programmes nor can it recruit external experts to look into the efficacy of Social Responsibility expenditures of corporations.

No particular tax exemptions are applicable to the Social Responsibility expenditures of companies, though certain activities such as contribution to the Prime Minister's National Relief Fund, scientific research, rural and skill development projects etc. pertaining to Schedule VII, already enjoy exemptions under different provisions of the Income Tax Act, 1961. The Finance Act, 2014 elucidates that an expenditure incurred by a company to fulfil its social obligations does not fall under business expenditure. Business houses today recognise the importance of being socially and environmentally conscious and often advertise charitable initiatives such as annual fundraisers for a cause, or a volunteer project started by their staff,

etc. But, companies that incorporate social responsibility into their business model prove a sense of dedication to these initiatives, both for the cause and their reputation.

According to a recent study, many Indian companies or companies incorporated in India have scaled up operations in Corporate Social Responsibility and are considering it to be of utmost priority. Mahindra & Mahindra leads the pack. Four Tata group companies have secured their places in the top 10 list, and GAIL has replaced SAIL in the public sector. Bharat Petroleum has also joined the list.

SCOPE OF CORPORATE SOCIAL RESPONSIBILITY:

Ernst and Ernst (1978) identified six areas in which corporate social objectives may be found:

1. Environment: This area involves the environmental aspects of production, covering pollution control in the conduct of business operations, prevention or repair of damage to the environment resulting from processing of natural resources and the conservation of natural resources.

Corporate social objectives are to be found in the abatement of the negative external social effects of industrial production, and adopting more efficient technologies to minimize the use of irreplaceable resources and the production of waste.

2. Energy: This area covers conservation of energy in the conduct of business operations and increasing the energy efficiency of the company's products.

3. Fair Business Practices: This area concerns the relationship of the company to special interest groups.

In particular it deals with:

- Employment of minorities
- Advancement of minorities
- Employment of women
- Employment of other special interest groups
- Support for minority businesses
- Socially responsible practices abroad.

4. Human Resources: This area concerns the impact of organizational activities on the people who constitute the human resources of the organization.

These activities include:

- Recruiting practices
- Training programs
- Experience building-job rotation
- Job enrichment
- Wage and salary levels
- Fringe benefit plans

- Congruence of employee and organizational goals
- Mutual trust and confidence
- Job security, stability of workforce, layoff and recall practices
- Transfer and promotion policies
- Occupational health

5. Community Development: This area involves community activities, health-related activities, education and the arts and other community activity disclosures.

6. Products: This area concerns the qualitative aspects of the products, for example their utility, life-durability, safety and serviceability, as well as their effect on pollution. Moreover, it includes customer satisfaction, truthfulness in advertising, completeness and clarity of labelling and packaging. Many of these considerations are important already from a marketing point of view. It is clear, however, that the social responsibility aspect of the product contribution extends beyond what is advantageous from a marketing angle.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. Define CSR
2. What are the basic Principles of CSR?
3. What is the scope of CSR?

1.5 LET US SUM UP

To sum up this chapter gives the basic introduction to Social responsibilities: Corporate social responsibilities – meaning, definition, principles and the scope of CSR. The new concept of **Corporate Social Responsibility** has been **introduced** under section 135 of the Companies Act, 2013 and Companies (**Corporate Social Responsibility**) rules, 2014. India is the first country in the world to **introduce** statutory **Corporate Social Responsibility** (**CSR**) through the new Companies Act, 2013 is also discussed in this chapter.

1.6 ANSWER TO CHECK YOUR PROGRESS

1. CSR refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. It goes beyond the occasional community service action, however, as CSR is a corporate philosophy that drives strategic decision making, partner selection, hiring practices and, ultimately, brand development.
2. Sustainability, Accountability and Transparency.
3. The scope of Corporate Social Responsibility extends to a corporation's duties towards four social groups, namely, the

shareholders or investors, the employees or workers, the consumers or customers and the community at large.

1.7 UNIT END QUESTIONS

1. Write a note on CSR
2. Explain the basic principles of CSR.
3. What is scope of CSR?

1.8 SUGGESTED READINGS

CSR and Sustainability: From the Margins to the Mainstream: a Textbook.

Corporate Social Responsibility in India: Cases and Developments After the Legal Mandate.

UNIT-II EVOLUTION OF CSR – CSR, SUSTAINABILITY, PUBLIC PRIVATE PARTNERSHIP, CORPORATIONS ROLE IN CLIMATE CHANGE

Structure

2.1 EVOLUTION OF CSR

India has a long tradition of paternalistic philanthropy, which has been followed since ancient times, albeit informally. The concept of helping the poor and disadvantaged is cited in several ancient texts, and philosophers such as Kautilya preached and promoted the incorporation of ethical principles in business. In the pre-industrialized period, religion and charity were the key drivers of this philanthropic tendency. Industrial families of the 19th century had a strong inclination towards social causes. For example, they established temples, schools, higher education institutions, and other public infrastructures. However, these contributions, monetary or otherwise, were sporadic activities of personal charity, unrelated to business interests.

However, the last decade of the 20^{th} century witnessed the beginning of a shift in focus from traditional charity and philanthropy towards a more direct form of engagement by business in development and social issues. There has been a growing realization that business cannot succeed in isolation, and that wider social progress is necessary for sustainable growth to be achieved. The term Corporate Social Responsibility (CSR) came into common use in the early 1970s. Today, corporations across the globe operate in highly complex and competitive environments. The risks they face are not only financial, operational, or technological. The effects of wider social problems and inequalities bear influence not only on how business organize themselves but on their overall success in the long-term. Therefore, corporate leadership is focused more than ever on social responsibility.

CSR promotes a vision of business accountability towards a wider range of stakeholders, beyond just shareholders and investors. It is defined as, **"**the concept that an enterprise is accountable for its impact on all relevant stakeholders. It entails a continuing commitment by business to behave fairly and responsibly, in hopes of improving the quality of life of the workforce, families, the local community, and society at large**.** The modern notion of CSR in India entails a strategic focus on community

development through various educational, research, and cultural projects. Indian companies are now considering on a wide-scale their stakeholder responsibilities and societal obligations, and not only shareholder profit. CSR has many facets, and it's important to note its interconnectedness with corporate governance, social inclusion, and economic growth.

The economic growth of India in the last two decades (India witnessed a whopping 2216% increase in GDP and 1,388% jump in per capita income during this period)[iii] is impressive, but it continues to face several challenges in health and sanitation, education, unemployment, the environment, and other fields. The Indian government has taken proactive steps with the 2013 Companies Act, which essentially mandates CSR. The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. Moreover, any surplus arising out of CSR activities should be contributed back towards CSR activities over and above the figure of 2%. Under the act, the provision and clause of CSR is applicable to companies:

- With an annual turnover of 10,000 Million or more INR.
- A net worth of 5,000 Million or more INR.
- A net profit of 50 Million or more INR.

The activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act. The company can implement its CSR activities through the following methods:

- Directly on its own.
- Through its own non-profit foundation, established to facilitate this initiative.
- Through independently registered non-profit organizations that have a record of at least three years in related activities.
- Collaborating or pooling resources with other companies.

The mandatory CSR reporting has unique advantages. It allows corporates to demonstrate their commitment towards organizational transparency and can be a communication tool to engage with different stakeholders, including shareholders, regulators, communities, customers, and society at large. CSR reporting also provides an opportunity for corporations to reflect on internal processes, as well as compare their CSR performance with competitors. While the Act provides an overall guiding framework for the CSR initiatives of corporations, it also provides ample autonomy and flexibility to design and implement programmes.

Today, nearly all leading corporations in India are involved in CSR programmes, in areas like education, health, skill development, and social empowerment. Large numbers of companies are actively reporting their social activities to various stakeholders through their annual reports, newsletter, CSR reports, and sustainability reports. Notable efforts have come from the Tata Group, Infosys, Bharti Enterprises, Coca Cola India, PepsiCo, and ITC Welcome group, among others. India is currently experiencing a critical phase regarding how best to continue its impressive growth, and Indian companies have increasingly focused on strategic CSR initiatives as a means of contributing the development on a national level. Some of the other drivers pushing business towards this trend in CSR are underlined below[i]:

- **The shrinking role of government:** The emergence of a more capitalistic Indian economy from socialistic patterns has undermined the role of governments in the economy. Shrinking government resources, distrust of regulations, and implementation issues have led to the exploration of voluntary and private initiatives.
- **Demands for greater disclosure and transparency:** There is a growing demand for disclosure and transparency of corporate activities from various stakeholders, including customers, suppliers, employees, and activist organizations.
- **Growing investor pressure:** Investors are changing the way they assess companies' performance, and making decisions based on ethical criteria. Investors are seeking to invest in companies that are trying to solve social problems through innovative business models.
- **Competitive labor markets:** Employees now value more than ever quality of work life and working conditions, and employers are changing their thinking by treating employees as resources, rather than mere commodities.
- The practice of CSR is not new in India but has been given strategic direction and pace by policy. Indian companies are now prioritizing wider stakeholder responsibilities and societal obligations, along with shareholder-wealth maximization. In the future, it is vital to ensure that implementation of new regulations and initiatives are done in a strategic, systematic, and thoughtful manner so that social issues can be addressed in an effective way.

The evolution of CSR concept can be summarized as follows:

(a) The first approach originates in classical economic theory as expressed in the hypothesis that the firm has one and only one objective, which is to maximize profit. By extension, the objective of a corporation should be to maximize shareholders' wealth. It is asserted that in striving to attain this objective, within the constraint of the existing legal and ethical framework, business corporations are acting in the best interests of the society at large.

(b) The second approach developed in the 1970s, and recognizes the significance of social objectives in relation to the maximization of profit. In this view, corporate managers should make decisions which maintain an equitable balance between the claims of shareholders, employees, customers, suppliers and the general public. The corporation represents, a coalition of interests, and the proper consideration of the various interests of this coalition is the only way to ensure that the corporation will attain its long-term profit maximization objective.

(c) The third view regards profit as a means to an end and not as an end in itself. In this view, 'the chief executive of a large corporation has the problem of reconciling the demands of employees for more wages and improved benefit plans, customers for lower prices and greater values, shareholders for higher dividends and greater capital appreciation; all within a frame work that will be constructive and acceptable to society'.

Accordingly, organizational decisions should be concerned with the selection of socially responsible alternatives. Instead of seeking to maximize profit generally, the end result should be satisfactory level of profit which is compatible with the attainment of a range of social goals.

The change from the second to the third approach to social responsibility is characterized as a move from a concept of the business corporation based on shareholders' interest to one which extends the definition of 'stakeholder'.

The former concept views the business enterprise as being concerned with making profits for its shareholders and treats the claims of other interested groups, such as customers, employees and community, as constraints on this objective. The latter concept acknowledges that the business enterprise has responsibility to all stakeholders, that is, those who stand to gain or lose as a result of the firm's activities.

There are a number of common objectives which express the expectations of a large company.

Some of these can be stated as follows:

(a) Rebuilding of public trust and confidence by increased transparency in its financial as well as non- financial reporting and thereby increasing the shareholder value.

(b) Establishing strong corporate governance practices to enhance the brand reputation of the company.

(c) Giving adequate support to the health, safety and environment protection policies of the company both within the manufacturing operations as well as while dealing with outsiders.

(d) Making substantial improvement in its relationship with the labour force thereby showing its concern for human rights and making it known as an ideal employer.

(e) Contributing to the development of the region and the society around its area of operation.

(f) Addressing the concerns of its various stakeholders in a balanced way so as to maintaining a strong market position.

The corporate sector will have to integrate the concepts of CSR and sustainability with their business strategy.

2.2 SUSTAINABILITY

Sustainability has become such an important concept that it is frequently used interchangeably with CSR. Indeed, for some companies it seems that CSR is sustainability. This is perhaps not surprising, given the growing media attention on issues related to sustainability.

Sustainability conveys greater ambition because it focuses on what we need to achieve, rather than where we are today.

Sustainability emphasizes a common agenda for all sectors of society.

Sustainability is a holistic concept that encompasses the full range of environmental, social, and economic issues addressed by our work.

Sustainability is a concept derived from environmentalism; it originally referred to the ability of a society or company to continue to operate without compromising the planet's environmental condition in the future. In other words, a sustainable corporation is one that can sustain its current activities without adding to the world's environmental problems. Sustainability is therefore a very challenging goal, and many

environmentalists maintain that no corporation today operates sustainably, since all use energy (leading to the gradual depletion of fossil fuels while emitting greenhouse gases) and all produce waste products like garbage and industrial chemicals. Whether or not true sustainability will be attainable anytime in the near future, the development and promotion of sustainability strategies has become virtually an obsession of most large corporations today, as their websites will attest in their inevitable reference to the corporation's sincere commitment to sustainability and responsible environmental practices. No corporation or corporate executive today will be heard to say that they do not really care about the environment.

Concept of sustainable development:

Sustainable development was defined by Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" The Supreme Court in Vellore Citizen's Welfare Forum V Union of India and others held sustainable development is the balancing concept between ecology and development.

In Indian council enviro. – Legal Action V Union of India, the court held emphasized on sustainable development and held that development and environment must go hand in hand. In N.D Jayal and anr V Union of India, the supreme Court held that, Concept of Sustainable development is to treated as an integral part of 'life' under Article 21.Public trust doctrine and precautionary principle could be nurtured by ensuring sustainable development.

International Perspective of CSR:

Johannesburg convention 2020:

In Johannesburg, States reaffirmed their commitment to the Rio declaration principles, the full implementation of the Agenda 21 and program for the implementation of agenda 21. One of the key commitment of Johannesburg plan of implementation is to actively promote Corporate responsibility and accountability through the full development and effective implementation of inter –governmental agreements and measures, international initiatives and public and private partnership and appropriate national regulations. It was emphasized, that both large and small companies, have a duty to contribute to evolution of equitable and sustainable communities and societies and there is a need for private sector corporations to enforce corporate accountability.

World Summit 2005: In this summit the importance of full respect for existing labor, human rights and environmental commitments was reiterated and encouraged responsible business practices, such as those promoted by Global Compact. Global Compact, deals with ten principles, which a company need to follow. Principle 7 to 10, deals about environment measures that need to be undertaken by the company.

Danish Law: Various countries in the world have started formulating rules and regulations for the implementation of corporate social responsibility. Denmark has amended Danish financial Statement act 2008 that requires mandatory reporting of corporate social responsibility in their companies' policy.

The report about CSR covers the following Information's:

- Implementation of CSR polices.
- Result of implementation of CSR policies.
- Management's expectation for future with regard to CSR. India CSR in India got the legal backing by virtue of section 135 of companies Act 2013. Section 135 of companies Act 2013 came into force from April 2014.

CSR having an ethical perspective should operate in line with the three pillars of sustainable development i.e. economic development, social equity and environmental justice. Sustainable development is the means to satisfy the need of the present generations without compromising the resources of future generations. CSR can play a vital role in containing the perils of uncontrolled development. It serves to neutralize the negative impact of business on society. Climate change being the byproduct of mindless development trend propelled by the corporate sector is to be mitigated by the ethical business practices. For sustainable business there is a need for sustainable development of society and environment.

2.3 PUBLIC PRIVATE PARTNERSHIP

While companies do carry out CSR work independently, many also work in collaboration with the government in Public Private Partnership ("PPP") mode. PPP is an effective tool for bringing private sector efficiencies in the creation of economic and social infrastructure assets and for delivery of quality public services. The extent of private sector participation in the creation of infrastructure, especially through PPP, has shown a promising increase in the recent years. The broad sectors encouraged under the PPP framework are Highways, Railways, Ports, Airports, Power and Urban Infrastructure etc.

Public Private Partnership in India:

Public Private Partnerships is an effective tool for bringing private sector efficiencies in creation of economic and social infrastructure assets and for delivery of quality public services. The extent of private sector participation in creation of infrastructure, especially through PPP, has shown a promising increase in the recent years. The broad sectors encouraged under the PPP framework are Highways, Railways, Ports, Airports, Power and Urban Infrastructure etc. The public sector actors take care of the policy making and target areas according to the societal and environmental needs whereas the private sector actors mainly engage in financing and executing CSR initiatives. Planning and reporting are jointly managed by the public and private sector actors of the partnership. The development of the Corporate Social Responsibility focused, in its initial phase, in involving corporate management and employees towards identifying and pursuing socially acceptable behaviors compatible with business performance. As a consequence, a variety of CSR strategies and reporting systems have emerged focusing on the social and environmental dimensions of the firm. Nowadays Public and Not for profit sectors are entering in the debate and can contribute to strengthening socially responsible corporate initiatives through different forms of partnership.

In the classical analysis of PPPs public and private sectors have clear and distinct institutional aims. The capacity to deal with issues related to decisions and administrative behaviors in order to achieve the needs of long term economic equilibrium of the single units and the general equilibrium of the economic system, represents the institutional responsibility of the Public Sector and the functional responsibility of the public administrations. As it concerns to private sector, the CSR concept has an approach that consists in developing and strengthening a culture in accordance to which companies, enterprises, corporations are considered institutions and not only "systems of economic complex processes activated to produce economic value richness". Their immediate goal is to increase economic value for a community but their ultimate goal remains, anyway, to contribute not only to the "Wealth of Nations" but to the "Wellbeing of people who live in Nations". While general economic, management and policy making theories in the past were based on the clear separation and often on the contraposition between market and state, between corporate objectives and the rationale of public choices, between issues of production and allocation of wealth, between criteria of efficiency and equity, the current theories are integrating and make the two elements more compatible. While it is Public Sector's main responsibility to take and maintain control over the public interest through the definition and control of public social, environmental and economic development policies, we see an increasing "autonomous social role" of corporations providing forms of pension systems, protecting the environment, contributing at the local community development, etc.

It's finally to be underlined how the development of different forms of public/private partnership has significantly evolved in the last decades. Whilst the last century has seen a prevailing contraposition between the private and public sector, the globalization and socio-political integration processes have seen a recent increase of forms of public/private partnerships. Partnerships developed both at national/supranational level as well as at regional and local levels.

Effective partnership management derives also by the communication private and public sectors can establish. As such the constitution within the public authorities of organizational units dedicated to CSR can contribute private sector having a unique contact point. The few cases known in Italy include CSR units within the Departments of Industry, Production activities and Equal Opportunities. Personnel of such units should be able to map the existing CSR needs in the territory, jointly plan the CSR initiatives with private sector organizations and its association bodies and effectively report to citizens and the public the results achieved. In spite of the shifting roles and responsibilities of business and governments towards societal problems, a need of increased governance of public/private relationships arises considering the different range of interests of the various actors emerging within a defined geographical area. Specific interests can be firstly converged in a coordinated and integrated way into policies, choices and solutions acceptable for the actors involved and at the same time sustainable on the economic, social and environmental dimensions. The actor responsible for the process of governance is represented, considering its institutional nature, the public administration.

PPP is advantageous and works well because of what each partner brings to the table. While the government has the capacity to pump in

considerable financial resources and provide scale, the private sector, aside from funds also provides expertise in management, delivery and technology, and is responsible for day-to-day management and running of the interventions. Private players are in a better position to do the ground work and can mobilise personnel easily. The government on the other side faces quite a few bureaucratic problems working on the ground and often finds it difficult to manage interventions. When rightly executed, such collaborations make any intervention very effective. In PPP the community gets positively impacted, the nature and intensity of impact may, however, be different. But, PPP is not always successful as well, there is some scepticism that both partners have for each other. While there will be teething issues as the public and private start working together these can be overcome over time. Both the companies and the governments realize and acknowledge the financial and non-financial resources and capabilities of the other and also the potential of PPPs. They believe that working together in the development sector would achieve the best results and have the greatest impact. Therefore, it is suggested that all models of PPP, especially those delivering a public service, should be created.

2.3 CLIMATE CHANGE AND CSR

Corporate Social Responsibility and **Climate Change**: **CSR** can be an effective tool for mitigating **climate change**. It is the duty of corporations to redress **climate change** through environment-friendly manufacturing techniques, adoption of a green, transparent policy and environmental disclosure

- **Facts:** There is a scientific consensus that global warming and climate change represent an enormous threat facing mankind.
- **The controversial aspect:** Can corporate CSR really have a significant impact on climate change, or is it just a public relations vehicle for companies and a distraction from the need for stronger government action, such as through a carbon tax?
- **In favor of global warming–related CSR:** Corporations can have a major impact in the battle against global warming by reducing their large carbon footprints, by encouraging other corporations to follow suit, and by helping discover and develop alternative sources of energy.
- **Against global warming–related CSR:** Companies spend a lot of advertising money to boast about small measures against global warming, but many of these companies are in industries—such as fossil fuels or automobiles—that produce the most greenhouse gases to begin with; self-serving claims of climate-change concern are often simply greenwashing campaigns intended to distract us from the need for society to take more effective measures through taxation and regulation.

We know that due to climate change outcomes, many companies are and will be in the future, greatly affected in many different ways. 10 actions that all companies can put in place to do their part in the fight against global warming.

1. ***Measure and Analyze Greenhouse Gas Emissions :*** The first step for any company that wants to reduce its impact on the planet and the environment, and therefore help to reduce climate change, is to

measure its greenhouse gas emissions (GHG). For this end, there are many private agencies that are carbon footprint certified and can help companies measure their CO_2 emissions. Once GHG emissions are known, they must be analyzed to see which of the company's activities the highest pollutants are. Once this analysis is done, companies can then begin to consider solutions to reduce their emissions.

2. ***Reducing Energy Consumption:*** Turning off the lights in the office in the evening, slightly lowering the heating or the air conditioning or taking devices off the plugs when it's not needed are some good actions companies can implement. Moreover, by paying more attention to other daily routine actions, businesses can slightly reduce their energy consumption and, thus, their impact on the climate.
3. ***Give Renewable Energies A Go:*** Today, more and more individuals are choosing renewable energy and this is also an interesting solution for companies. Suppliers such as ekWateur or Enercoop represent an interesting solution for using only 100% renewable energy. Simply put: avoiding fossil fuels significantly reduces the climate footprint.
4. ***Reduce Waste and Fight Obsolescence:*** Another way to reduce the climate footprint of a business is to reduce the amount of waste generated. Whether it is the industrial waste of a large company or the paper waste of a SME of the tertiary sector, all companies produce waste. Avoiding disposable cups, stirrers, and capsules for the coffee machine and giving kitchen crockery instead, reducing the number of prints, reusing papers as drafts, sort waste for recycling correctly… There are plenty of possible solutions depending on the facilities (office or factory) and an organization's core business, and many employees we'll have plenty of good suggestions if they are motivated to adopt an eco-entrepreneur mindset. It is also important to use equipments and devices properly to avoid they get deteriorated faster and to repair gadgets when they break down instead of replacing them with new ones.
5. ***Optimize Employees' Transportation:*** As we know, transportation is one of the largest sectors of greenhouse gas emissions. By encouraging employees to take public transit, to carpool with other colleagues living close by or by giving them discounts on public transportation, companies can significantly reduce their indirect CO_2 emissions and therefore their impact on climate change.
6. ***Choose Greener Infrastructures and Equipment:*** It is also possible to choose more environment-friendly infrastructures and equipments. In this way, companies can set up a fleet of hybrid or even electric vehicles to renovate their employees' cars according to the latest environmental standards. Or when the time comes to buy new printers, air conditioners, laptops, screens, bulbs or office materials, if the old ones can't be fixed or more are needed, choose the most efficient (energy-wise) and sustainable (regarding the origin or manpower ethic standards) ones.
7. ***Choose Sustainable Suppliers:*** Each company also has a responsibility regarding the partners it chooses. Choosing a supplier is also an environmentally-friendly choice (or not, depending on the supplier). Therefore, companies should make the effort to choose

suppliers who demonstrate they have good environmental practices. In fact, companies wanting to get sustainability and CSR certifications such as GRI or B Corp often see their operations reviewed. And in the process, suppliers' operations might also be accounted to a company's own ecological footprint. Therefore, these companies aspiring certification might even need to ask their suppliers to adopt more sustainable practices (such as giving proof of not employing children and paying fair wages or disposing waste properly), or even have to change to more sustainable suppliers if the old ones refuse to change.

8. ***Raise Awareness Among Employees, Clients and Other Stakeholders:*** As an economic agent, companies also play a role in raising awareness on their employees, consumers, media and other stakeholders. Organizing in-house contests, hackathons or campaigns to raise and improve awareness on sustainability issues is a great idea. Partner with outside organizations, do something original, unique, powerful and that stays top of mind. These small gestures gradually create the ground for best practices that individuals then reproduce at home and transmit to their friends… the snowball effect, so to speak.

9. ***Promote Environmentally Friendly Ways of Working:*** Some ways of working are more ecological than others: telecommuting, for example, has many ecological advantages. One can also consider video conferences that avoid employees traveling by car for meetings with clients. Paper works also have a strong environmental impact, as does computer work and the Internet because of servers. Sometimes, avoid to copy an entire company in an e-mail that only concerns one department can save a lot of CO2 emissions.

10. ***Mobilize For The Climate Change Challenge:*** Finally, the role of companies is also political. In their territory, at the regional or national level, companies that want to fight climate change must be militant. By pushing politicians and public actors to act on global warming, they can have a huge influence. If companies are active, this can lead to new environmental regulations that can have a significant impact on global warming.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What is sustainability?
2. What is PPP?
3. Explain how CSR can be an effective tool for climatic change?

2.5 LET US SUM UP

The Evolution of CSR – CSR along with the importance of sustainability and the tools such as public private partnership and corporations role in climate change in CSR is being discussed in detail in this chapter.

2.6 ANSWER TO CHECK YOUR PROGRESS

1. Sustainability conveys greater ambition because it focuses on what we need to achieve, rather than where we are today. Sustainability emphasizes a common agenda for all sectors of society.
2. Public Private Partnerships is an effective tool for bringing private sector efficiencies in creation of economic and social infrastructure assets and for delivery of quality public services.
3. CSR can be an effective tool for mitigating climate change. It is the duty of corporations to redress climate change through environment-friendly manufacturing techniques, adoption of a green, transparent policy and environmental disclosure

2.7 UNIT END QUESTIONS

1. Trace out the Evolution of CSR
2. Write a note on sustainability
3. Explain the importance of public private partnership
4. What is the role of CSR in climate change?

2.8 SUGGESTED READINGS

Corporate Social Responsibility: A Very Short Introduction (Very Short Introductions) Paperback – 17 November 2014, by Jeremy Moon

Corporate Social Responsibility in India,Sanjay K. Agarwal, **Publication Year:** 2008

UNIT- III SUPPLY CHAIN RESPONSIBILITY, STAKEHOLDER ENGAGEMENT, CAUSE AND SOCIAL MARKETING, ENVIRONMENTAL RESPONSIBILITY

Structure

3.1 SUPPLY CHAIN RESPONSIBILITY

Supply Chain Management is a process comprised of several distinct but interconnected functions and activities. Internal and external transportation management, warehousing, inventory management, acquisition management, logistics service providers management, resource management, packaging and assembly, customer services are among the most important ones. It is also possible to break down the supply chain management process into two main flows; i.e. forward flow and reverse flow. Taking into consideration those processes, main areas of social responsibility in supply chains are**:**

- Organizational practices
- Ethical practices
- Environmental practices
- Practices of human rights and working conditions
- Practices of occupational health and safety
- Practices to establish relationship with society.

Green supply chain management

Green Supply Chain Management (GSCM) can be defined as reflecting a company's consideration and sensitivity about environmental issues to all other supply chain processes. GSCM also assures that companies consider not jeopardizing the environment in all supply chain functions. Companies usually perceive the GSCM practices as factors that increase the cost in general. However, research has yielded that GSCM practices help companies to reduce general costs, increase productivity, foster innovation, save resources and increase competitive advantage [9]. Besides those tangible benefits, GSCM practices also play important roles in increasing employees' job satisfaction and commitment, promoting customer loyalty and pleasure, enhancing their reputation in the eyes of the society.

Main goal of GSCM is to assure that environmental practices are applied in the all phases of the process from procurement of raw material to the delivery to the consumer; such as purchasing, production, packaging, warehousing, distribution, assembly. Long-term goal of GSCM is to keep under control all the processes, reduce the chemical waste, lessen the gas emissions and eliminate all the activities that may be hazardous to the nature.

In the scope of GSCM, companies generally use three basic approaches [10]:

- Reactive approach
- Proactive approach
- Value seeking approach

Companies adapting reactive approach, usually apply procedures compliant with rules and regulations in force, such as practices of human rights, minimum resource usage, supply recycled products. Hence, reactive companies have a low level of GSCM. On the other hand, companies adapting proactive approach, apply procedures to prevent possible problems that may arise in the future, instead of struggling with past problems. Thus, proactive companies develop programs and policies on how to implement and control green supply chain applications.

Companies adapting value seeking approach systematically integrate their environmental policies into their long-term business strategies, reflect those policies to their decisions and share this with all their stakeholders. Besides, they establish a close communication with their suppliers and stakeholders, and encourage them to integrate environmental policies to their own business processes. From the systems management approach, GSCM constitutes of a series of interconnected, not independent, activities through a long process from the suppliers to the customers. Hence, GSCM should be applied on the whole process in a holistic manner. Thus, to achieve a successful GSCM, all activities and practices through the process should consider GSCM principles. During the last decade, research on GSCM has focused on the stages of the product life cycle and emphasized the importance of greening approach in material selection and purchasing, company's supplier selection, waste management, packaging, manufacturing and production, regulatory compliance.

In addition, some other important issues in GSCM include selection of environmental performance criteria and indicators, relationship between environmental and economic performance. To measure achievement of GSCM, companies define success factors in accordance with their areas of activity. Determining and measuring those success factors help companies to understand the effectiveness of environmental policies and indicate how well those policies are integrated into the business processes. In this framework, some success factors that can be used to measure the effectiveness of environmental policies are as follows:

- Amount of energy and raw material spent
- Amount of waste produced and exposed to the nature
- Amount of hazardous material used in the production process of goods and products
- Amount of fuel usage and gas emission in the production, storage and transportation

- Amount of recycled material through the processes
- Number of partnerships with suppliers on the area of environmental awareness
- Level of reputation of the company in terms of environmental sensitivity in front of the public eye

Companies adapting GSCM practices may evaluate the effectiveness of their activities and processes in terms of environmental issues and may alter their plans and strategies if necessary.

Social responsibility in the process of supply chains:

socially responsible applications and practices should be placed in all the phases and steps throughout the supply chain process from procurement of the raw materials to the delivery of products to the customer. In this respect, this section will give specific examples of socially responsible applications in each phase and function.

Social and Environmental Practices in Procurement and Purchasing

Social responsibility in procurement and purchasing can be defined as performing all purchasing activities in accordance with the CSR principles and taking into consideration CSR principles in the decision-making process. If a company complies with the relevant standards on environmental issues and involves its applications in the processes, procurement and purchasing processes can be important activities to spread the CSR concept to the suppliers.

One of the first CSR practices that can be integrated into the procurement and purchasing is to prefer recycled and/or recyclable materials. In addition to the purchasing of recyclable raw materials, giving precedence to the procurement of technologies that consume less energy and produce less waste is another important practice.

Besides, from a holistic perspective, choosing right suppliers that also apply CSR concepts in their own processes and also comply with relevant rules and regulations plays an important role in procurement process. In this respect, before initiating the procurement processes with suppliers, it should be verified that the suppliers also adapt CSR applications in their own processes as required.

Social and environmental practices in production

Social responsibility in production process take place both in forward and reverse supply chain management activities. In general terms, CSR in production includes the design of the product taking into consideration CSR principles and the production without giving any damage or hazard to the environment.

Among the most important long-term goals in the environment-friendly production process, to implement the systematic mechanism reducing the amount of waste and to dispose the waste without giving any hazard to the nature are considered the key practices.

Another important goal of CSR in production is to assess each phases of the product life-cycle in order to determine the possibilities of re-production, re-usage and re-cycling of the materials used in the production process. If any possibility is determined, this should be integrated into the production processes for the benefit of society.

Social and environmental practices in distribution and transportation:

Social responsibility in distribution and transportation means developing required transportation and distribution capability while maintaining and enhancing environmental, economic and social sustainability.

CSR in transportation has been conceptualized during 1990s and has focused on environmental and economic aspects of a sustainable transportation process. Most important effects towards the environment include emission of greenhouse gas, emission of gas which is hazardous for the ozone layer, discharge of hazardous waste produced during transportation.

Socially responsible practices in transportation area include giving opportunities to local transportation companies, carefully monitoring that the traffic rules and regulations are followed all the time, implementing mechanisms increasing safety and security performance in transportation.

Social and environmental practices in packaging:

For more than 20 years, there is already a pressure on the companies to lessen the negative effects of the packaging material on the environment. Laws and regulations that have been put in effect lately increase the importance of CSR in packaging function. Recently, influence of packaging process on the environment is considered in the framework of product life-cycle from a more holistic approach. Under the CSR concept in packaging process, there are several activities to be considered, such as storage, warehousing, protection of the product against deterioration. Throughout those processes, CSR in packaging requires the usage of recycled and non-hazardous material, reduction of waste, reduction of energy consumption and design the process in such a way that does not harm the ecosystem.

In packaging, size of the package is a usually neglected but an important factor, since the size directly determines the amount of material used. By having well-designed packages, companies may increase the efficiency in resource usage. In addition, small size of a package helps companies to formulate their loadings in the most optimum way and reduce their transportation costs. Under the strong influence of increasing competition, globalization, communication and information technologies, companies trying to keep their positions in the market and to maintain a sustainable growth are increasingly inclined to apply corporate social responsibility activities and practices.

Supply chains are increasingly put under pressure mainly by customers and stakeholders to implement CSR management systems across the chain. All companies throughout the chain are obliged to implement practices and initiate activities on economic, environmental, and social aspects to maintain their sustainability. To transfer and share the CSR responsibility across the chain, companies adapt several practices, such as establishing written supplier requirements, monitoring supplier performance if they meet the requirements and contributing suppliers' awareness on social and environmental issues.

3.2 STAKEHOLDER'S ENGAGEMENT

Stakeholder: Stakeholders can be split into two groups – internal and external:

Internal stakeholders: This covers anyone who is on the pay roll. This includes staff, owners, shareholders and board members.

External stakeholders: This covers that is not directly part of your business but still affects/is affected by its activities. This includes suppliers, Customers, partners, government, email lists, social media followers and even the local/wider community.

Stakeholder Engagement: Stakeholder engagement is the practice of interacting with, and influencing project stakeholders to the overall benefit of the project and its advocates. Stakeholder Engagement is the practice of influencing a variety of outcomes through consultation, communication, negotiation, compromise, and relationship building.

The successful completion of a project usually depends on how the stakeholders view it. Their requirements, expectations, perceptions, personal agendas and concerns will influence the project, shape what success looks like, and impact the outcomes that can be achieved. Successful stakeholder engagement is an essential part of professional project management. It's the process where we generate buy-in from the business stakeholders and get them more interested in the business. Stakeholder engagement involves a company being responsible to all its stakeholders by ensuring they are involved with the goings-on of the business.

Stakeholder engagement is vital in today's working world. It's driven by a need for ethical and diverse leadership with input from lots of different areas.

The benefits of stakeholder engagement

If you want your organisation to be a success, then you need buy-in at all levels and from all angles. By working on strategies to boost stakeholder engagement you will see huge business improvement:

- Increased opportunities for learning.
- More effective risk management.
- A better understanding of people's needs at different levels and across different areas.
- More informed decision making.
- Everyone involved in the business has a voice… meaning more insight and innovation.
- A shared vision amongst key influencers.
- People/groups can share their varying experience, expertise and knowledge.
- Easily identify strategies to gain a competitive edge.

To engage stakeholders:

Engagement with all stakeholders there is a checklist of things that must be considered. But before we delve into that, it's key to first identify who your stakeholders are:

- Baby steps are key in this area. First, you should make a list of all your stakeholders. if you're struggling then it's advisable to break it up into internal and external stakeholders.
- Internal stakeholders should be easy. The external list will require you to think more broadly. Consider anyone who could be affected by the success or failure of your business. It's also wise to consider future stakeholders. Are you considering moving abroad or currently pitching for new business? If so, add these people to your list and start building relationships now.
- Your lists should not only include names but also who is responsible for managing the relationships with the stakeholder. Failure to do this from the outset will make the whole process very difficult to manage**.**

Key principles of stakeholder engagement

#1 Understand

Before aiming to engage and influence stakeholders, it's crucial to seek to understand the people you will be working with and relying on throughout the phases of the project lifecycle. Sharing information with stakeholders is important, but it is equally important to first gather information about your stakeholders. One technique that can help with this is Stakeholder Mapping.

#2 Communicate

There have been numerous studies into why projects fail, with 'bad communication' often pointed to as the most common reason. Across all sectors and sizes of project, ineffective or insufficient communication is at the root of project problems such as unclear objectives, misunderstanding the problem, poorly coordinated teamwork and ineffective risk management. The fundamental challenge of effective communication is based on the clear evidence that 'what you say is not the same as what they hear', even with people you know very well. It is therefore easy for communications to be misinterpreted. Good communication requires relentless and time-consuming effort to ensure the intended message is understood and the desired response achieved, which, especially on large projects, sometimes justifies the assistance of communication professionals.

#3 Consult, early and often

The rewards of early and efficient stakeholder consultation should be clear to anyone that has worked on a project where this has not been done well. If you have ever felt 'I wish I'd known that at the start of the project,' then consider that even just a few, well-timed questions can be very valuable. Questions about who the relevant stakeholders are (e.g. 'Who else's views should we be considering?'), and, once these have been identified, questions about the stakeholders' objectives, success criteria, constraints, key concerns, their stakeholders (e.g. customers), etc., usually provide information that easily justifies the time spent investigating.

#4 They are human too

Accept that humans do not always behave in a rational, reasonable, consistent or predictable way and operate with an awareness of human feelings and potential personal agendas. By understanding the root cause

of stakeholder behaviour, you can assess if there is a better way to work together to maintain a productive relationship.

#5 Plan it!

A more conscientious and measured approach to stakeholder engagement is essential and therefore encouraged. Investment in careful planning before engaging stakeholders can bring significant benefits. What kind of regular meetings have value? How are they structured? Formal meetings with meeting minutes, or informal ones? This is what Stakeholder Management is.

#6 Relationships are key

Developing relationships result in increased trust. And where there is trust, people work together more easily and effectively. Investing effort in identifying and building stakeholder relationships can increase confidence across the project environment, minimize uncertainty, and increase the speed of problem-solving and decision-making.

#7 Just part of managing risk

Stakeholders are important influential resources and should be treated as potential sources of risk and opportunity within the project. Over and above conventional planning, using foresight to anticipate hazards, and taking simple and timely actions with stakeholders can significantly improve project delivery.

#8 Compromise

The initial step is to establish the most acceptable baseline across a set of stakeholders' diverging expectations and priorities. Assess the relative importance of all stakeholders to establish a weighted hierarchy of the project requirements and outcomes. Having ranked the stakeholders in order of importance, their differing interests can then be weighed accordingly with the best compromise solution being at the 'centre of gravity'. As the leader of the project, it is your judgment as to what this solution is with the rationale and decision being communicated to all parties where appropriate.

#9 Understand what success is

Project success means different things to different people and you need to establish what your stakeholders perceive as a success for them in the context of project delivery.

#10 Take responsibility

Stakeholder engagement is not the job of one member of the project team. It's the responsibility of everyone to understand their role and to follow the right approach to communication and engagement. Good project teams have clarity about stakeholder engagement roles and responsibilities and what is expected of people involved in the project.

3.3 SOCIAL MARKETING

Definition: According to Dann S (2009), *"the adaptation and adoption of commercial marketing activities, institutions and processes as a means to induce behavioural change in a targeted audience on a temporary or permanent basis to achieve a social goal"*

Social Marketing is a planned process for influencing change. Social Marketing is a modified term of conventional Product and Service Marketing. With its components of marketing and consumer research, advertising and promotion (including positioning, segmentation, creative strategy, message design and testing, media strategy and planning, and effective tracking), Social Marketing can play a central role in topics like health, environment, and other important issues.

In its most general sense, Social Marketing is a new way of thinking about some very old human endeavours. As long as there have been social systems, there have been attempts to inform, persuade, influence, motivate, to gain acceptance for new adherents to certain sets of ideas, to promote causes and to win over particular groups, to reinforce behaviour or to change it -- whether by favour, argument or force. Social Marketing has deep roots in religion, in politics, in education, and even, to a degree, in military strategy. It also has intellectual roots in disciplines such as psychology, sociology, political science, communication theory and anthropology. Its practical roots stem from disciplines such as advertising, public relations and market research, as well as to the work and experience of social activists, advocacy groups and community organizers.

As Phil Kotler points out in his book Social Marketing - Strategies for Changing Public Behaviour, campaigns for social change are not a new phenomenon. They have been waged from time immemorial. In Ancient Greece and Rome, campaigns were launched to free slaves. In England during the Industrial Revolution, campaigns were mounted to abolish debtor prisons, grant voting rights to women, and to do away with child labour. Notable social reform campaigns in nineteenth-century America included the abolition, temperance, prohibition and suffragette movements, as well as a consumer movement to have governments regulate the quality of foods and drugs.

In recent times, campaigns have been launched in areas such as health promotion (e.g., anti-smoking, safety, drug abuse, drinking and driving, AIDS, nutrition, physical fitness, immunization, breast cancer screening, mental health, breast feeding, family planning), environment (e.g., safer water, clean air, energy conservation, preservation of national parks and forests), education (e.g., literacy, stay in school), economy (e.g., boost job skills and training, attract investors, revitalize older cities), and other issues like family violence, human rights, and racism.

There are three major advantages, however, which suggest that social marketing is worthy of your consideration:

- It helps you reach the target audience you want to reach.
- It helps you customize your message to those targeted audiences: and by doing so,
- It helps you create greater and longer-lasting behavior change in those audiences.

Social Marketing combines the best elements of the traditional approaches to social change in an integrated planning and action framework, and utilizes advances in communication technology and marketing skills. It uses marketing techniques to generate discussion and promote information, attitudes, values and behaviours. By doing so, it helps to create a climate conducive to social and behavioural change.

The 4Ps Model

The 4Ps were created by marketing professor E. Jerome McCarthy in 1960, seven years after Borden's speech. They are a framework that marketers and businesses can use when designing strategies and campaigns to promote their products and services.

Instead of leaving it up to chance and hoping that people will do what you want, you can increase your conversions by using a framework. Each P stands for a different element that influences a consumer's decision-making process.

#1 Product: Product refers to the physical goods or the intangible services that you offer, but there's more to it than that. It's also about the experience that users and customers have with your product.

- What makes customers choose your product over others?
- What problem does it solve?
- What attracts people to your products or services?

They may be attracted to the product packaging, features, ease-of-use, name, quality, design or support. The transaction may be for the physical product. But the purchase is influenced by the entire buying experience. All of the four elements are centred around the customer. It is important to know who your audience is and what they care about. Learn as much about your current or potential customer base as you can. This will help you make decisions that are more likely to resonate and appeal to your target audiences.

#2 Price: It is critical to choose the right price for your product or service. If your product is under-priced, consumers may question its effectiveness or think that it's "too good to be true". On the other hand, if you price your product too high, consumers may see it as overpriced and unnecessary. Unless you are an established luxury brand like Coach or Chanel, you'll find it hard to make a sell. There are a number of pricing strategies that businesses employ. Some models are: bundle, subscription, competitive, economy, discount, and psychological pricing. The strategy that you choose should be based on the value of your product, the production and distribution costs, consumer demand and competitive landscape. Price is also heavily influenced by your consumers. Of course, you need to price to make a profit.

Promotion: Promotion covers all of the communication tactics that you will use to spread the word. Note that promotion isn't synonymous with marketing. Promotion focuses on how you will communicate your product to people. It doesn't only encompass the entire marketing function. It also addresses the sales process and other areas such as public relations and advertising.

Also, the purpose of promotion isn't to simply sell your products and services. (Yes, that would be an ideal result.) Before you can jump to the transaction part, you need to let people know what your products and services are, what they offer customers, and why they are worth buying.

Promotion lets people know that your product solves a specific need. In the promotion stage, your message should be clear and geared towards your target audiences. Tell them why they need your product and how it will benefit them.

- What makes your business different from the competitors?
- Is it a lower-price?
- Higher quality?
- Faster service?
- More flexibility?

Identify what sets you apart from everyone else. It is key to include those differentiators into your promotional messages. When selecting which channels to use for promotion, remember that your audience is the focus. What types of content do they consume on a daily basis? Where are they located? What times are the most actively consuming content? Some channels that you may use for promotion are: word-of-mouth, podcasts, radio, social media, email, press releases, public relations, print, television ads, and pay-per-click (PPC) ads.

#4 Place: Place refers to the distribution of your product. How will customers find and purchase what you're trying to sell? Will it be sold in retail stores or exclusively online? Two of the most common distribution channels are: direct sales and wholesalers.

If you run a local retail business, you will likely use direct sales at your location. You may also offer certain items through an online store. Whether in-store or online, you are the primary contact managing and shaping the customer experience.

Another option for businesses is to sell through an intermediary a wholesaler or reseller. If you sell through Walmart or Amazon, you would fit into this category. The advantage of working with a wholesaler is that they tend to have a wider distribution network and larger customer-base.

Although it makes it possible to reach more customers, you lose some of that customer connection that is associated with direct sales. It can also be extremely difficult and lengthy process to land a deal with big name wholesalers like Walmart.

Importance of social marketing:

Social Marketing is very important to society, the environment, and businesses. This concept was developed in order to tackle the consumerism and profit only the motive of business.

The Social marketing concept helps to maximize profits for the organization and creates a long-term relationship with customers. It encourages developing products that benefit society in the long run and satisfies consumers. In addition, as an important component of economic society, enterprises are required by the public to assume environmental responsibility. However, conclusions on the impact of CER on corporate interests have not been consistent. Is corporate environmental responsibility a win–win situation or at the expense of corporate value? According to stakeholder theory, it is in line with stakeholders' expectation for enterprises to undertake environmental responsibility to obtain their support and improve financial performance, which may lead to good investment efficiency. On the other hand, the trade-off and management opportunism hypothesis hold that CSR (including CER) will occupy the company's resources, thus putting it in a disadvantaged competitive position. In addition, managers may obtain more private support through environmentally responsible investment, which may lead to an improper

use of corporate resources and cause corporate profit losses. Therefore, the impact of corporate environmental responsibility (CER) on corporate economic benefits has become a research hotspot. At present, similar studies focus mainly on the impact of CER on business performance or income direction or the impact of CSR on investment efficiency CER can not only improve the natural environment and form positive externalities to benefit enterprises but also provide better access to external financing, improving corporate financial transparency to some extent and reducing the abuse of corporate free cash flow. Compared with non-environmentally friendly enterprises, enterprises with environmental risk management have easier access to project financing. Companies that commit to environmental investment programs can gain more profit from competition. Although studies have proven that CSR can effectively improve the efficiency of enterprise investment, CSR as a general concept is not completely the same as CER. The research results of Agua do and Holl, who compared the environmental responsibility of SMEs in Spain and Norway, show that in the market environment with effective environmental regulation and strong environmental protection advocacy, enterprises will voluntarily assume higher environmental responsibility. In other words, regions with better institutional environments have less corruption, less excessive government intervention (for example, officials interfere in the allocation of corporate resources for their own benefit), and more developed financial markets, all of which are conducive to improving the environmental performance of enterprises and giving full play to the effect of CER. In addition, the increase in consumers' environmental awareness makes environmentally friendly enterprises more favoured by consumers Therefore, this paper focuses on the impact of CER on investment efficiency and the moderating role of the institutional environment and consumer environmental awareness in this impact. As far as we know, there is little research on this field. Our results help enterprises and government regulators better understand the effects and working conditions of CER and contribute to policy formulation and corporate managers' investment decisions in environmental responsibility activities.

3.4 ENVIRONMENTAL RESPONSIBILITY

Best Corporate Environment Responsibility

When companies go above and beyond what's expected environmentally or socially, they're engaging in corporate social responsibility. Did you catch that? It's pretty important.

Government regulations already limit pollution and ensure that companies practice certain human rights standards. So, companies can't toot their own horn if they're just following the law. However, brands that go the extra mile are employing exemplary CSR initiatives.

Socially responsible companies and business leaders care about more than the financial bottom line. They adjust their business strategies to positively impact society and the environment.

These are the most common examples of corporate social responsibility:

- Reduce carbon footprints to mitigate climate change
- Improve labour policies and embrace fair trade

- Engage in charitable giving and volunteer efforts within your community
- Change corporate policies to benefit the environment
- Make socially and environmentally conscious investments

Let's dive into some of the most impactful corporate social responsibility initiatives.

How?

Here are some ways socially responsible companies can help the environment:

- Hold an annual tree-planting event.
- Set up recycling bins throughout your facilities
- Minimize your amount of paper waste
- Permit remote work to reduce the negative impact of commuter traffic
- Switch from incandescent light bulbs to energy-saving LED bulbs.
- Make socially and environmentally conscious investments.

The notion of Environmental Corporate Social Responsibility has emerged because of the progressive increase of environmental concerns at international, European and national levels such as the challenge of climate change. Green initiatives are not seen as a "cost", but as a new opportunity to make more profits and transform a polluting activity into a greener one.

The European Commission has included the environment in its definition of corporate social responsibility, stating that CSR means "actions by companies over and above their legal obligations towards society and the environment".

Now, private companies are compelled to act more responsibly and Environmental CSR creates an "environmental responsibility" for private companies to be more environmentally friendly.

Corporate Environmental Responsibility

Corporate Environmental Responsibility concerns the environmental aspects of Corporate Social Responsibility (CSR). It is commonly defined as is the way in which organizations can incorporate environmental issues into their operations in order to eliminate waste and emissions, maximize the efficiency and productivity of its resources and minimize practices that badly affect the country's natural resources. It takes all its meaning in the current context (global warming, destruction of biodiversity, etc.) and becomes a pillar of development for some organizations that voluntarily engage. Corporate Environmental Responsibility is about managing the use natural resources in the most effective and efficient manner in order to reduce environmental impacts and financial costs.

Areas of Focus:

- Energy Efficiency and Savings
- Waste Management
- Travel and Transportation
- Sustainable Procurement

- Sustainable Events
- Environmental Management Systems

Nowadays, environmental risk management is essential for the good development of organizations. It allows them to carry out their activities in a sustainable way regarding environment.

Reasons why Corporate Environmental Responsibility is important:

There are many drivers which explain why companies should incorporate environmental concerns into their own strategic decision making. Reasons are a mix of incentives and risks directed to companies in order to improve standards. One of the most prominent and influential factors of environmental companies' concerns is **regulation and government policies**. States are often influenced by Civil Society Organizations (CSOs) and Environmental Non-Governmental Organization (ENGOs) activism. The implementation of these policies is facilitated by subsidies, tariffs and taxes. Besides, in a context of information revolution, business practices are brought to light around the world which affect company's reputation. Thus, **companies are more frequently judged on their environmental stewardship**. Consumers, shareholders, employees and partners increasingly require organizations to become more environmentally aware and socially responsible. They also want more transparency from companies, which means that companies benefit from corporate social responsibility & environmental management. All of these drivers have encouraged or compelled companies to integrate environmental concerns in business strategy.

Benefits of Corporate Environmental Responsibility

- **Brand image**: standing out as a green corporate can improve your reputation.
- **Customer loyalty**: people prefer brands who have environmental concerns and they are more inclined to buy from them in the future.
- **Differentiation**: face to increasingly demanding customers and aware of environmental issues, gaining a green reputation can help you differentiate.

However, there is no specific definition, and the concept remains broad. Essentially, corporate social responsibility aims to create a new social conscience in the business world compatible with the profit maximization strategies. Private companies increasingly regulate their activities by taking into account factors than the traditional ones, most notably the continual increase of profits.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What does 'Supply Chain Responsibility' refers to?
2. What is Social Marketing?
3. Who is a stakeholder and how do we engage?
4. '4 P' Model of social marketing, what does it stands for?

3.5 LET US SUM UP

This chapter gives us an explanation what supply chain responsibility is and how is it important in maintaining the recourses and promoting sustainable environment for all. How and why engagement with the stakeholders are important and how they contribute environmental and social wellbeing. How social marketing be benefitable in the processing for developing practices of socially responsible practices by institution's and companies, as a way forward.

3.6 ANSWER TO CHECK YOUR PROGRESS

1. Responsible supply chain aims in minimizing our environmental impact and improving the lives of all people who make our products. We expect the highest ethical standards throughout our supply chain and promote meaningful social change at supplier sites and nearby communities.
2. Social Marketing is a planned process for influencing change. Social Marketing is a modified term of conventional Product and Service Marketing.Social Marketing plays a central role in topics like health, environment, and other important issues.
3. Engaging with stakeholders is crucial to the success of any organization. To succeed, an organization must have a clear vision derived from a robust strategic planning process, and an effective strategic plan or marketing plan can only come from stakeholder engagement.
4. Product, Price, Promotion and Place.

3.7 UNIT END QUESTIONS

1. What Green Supply Chain Management?
2. Write down principals of stakeholder engagement?
3. Explain 4 P Model with suitable examples.
4. Corporate environmental responsibility practices, ways to implement
5. Social and environmental practices in production and packaging**.**

3.8 SUGGESTED READINGS

https://www.reputationmanagement.com/blog/corporate-social-responsibility-examples/

https://www.intechopen.com/books/applications-of-contemporary-management-approaches-in-supply-chains/corporate-social-responsibility-in-supply-chains

https://www.henricodolfing.com/2018/03/10-principles-of-stakeholder-engagement.html

BLOCK- II
CSR AS ECONOMIC DEVELOPMENT AND CSR IN CULTURAL CONTEXT, STAKEHOLDERS AND PERSPECTIVE AND DESIGNING A CSR POLICY

Unit-IV SOCIALLY RESPONSIBLE INVESTING, SUSTAINABILITY REPORTING, TRANSPARENCY AND HUMAN RIGHTS; CSR AS ECONOMIC DEVELOPMENT AND CSR IN CULTURAL CONTEXT

Structure

4.1 SOCIALLY RESPONSIBLE INVESTING

Socially responsible investing, also known as ethical and green investing, means avoiding industries that negatively affect the environment and its people. This includes companies that produce or invest in alcohol, tobacco, gambling and weapons. Instead, SRI involves investing in companies engaged in ethical and socially conscious themes, like environmental sustainability and social justice. Some investors also consider SRI to stand for sustainable, responsible and impact investing. Regardless of your preferred definition, socially responsible investing works toward both positive change and financial gain.

Socially Responsible Investing Works

Socially responsible investing considers environmental, social and corporate governance, also known as ESG criteria. These criteria help many socially responsible investors decide which companies or funds to invest in. This includes companies that respect the environment, treat their employees and suppliers fairly and promote ethical policies. Some investors believe that companies that practice good citizenship can yield greater returns than those that don’t.

SRI works the same way as any other style of investing. But SRI adds company ethics and social responsibility into the equation, instead of simply putting your money into securities for growth. SRI tends to follow political and social trends. This means they've been dedicated to women's rights, civil rights and anti-war efforts in the past. Now, socially responsible investors' focus has shifted to mostly sustainable solutions to 21st century challenges. This includes climate change and ethical business practices.

Invest Responsibly: You have several options available to you if you want to invest in good causes. For starters, you can make socially responsible investments individually or through socially conscious **mutual funds**, **exchange-traded funds** and **index funds**. You can use a robo-advisor, invest directly or participate in crowd or community investing. There is also a wide range of SRI products and asset classes, like public equity investments (stocks), cash and fixed income investments, like **private equity or venture capital**.

Start by identifying the level of risk you're willing to take on. Consider your income and any current investments you have, including corporate-sponsored retirement plans. Then, define what "socially responsible," "sustainable" and "impact" mean to you. Think about your moral, ethical, religious and social values. You'll also have to evaluate individual companies and investments by looking beyond financial statements. Measure their potential to impact a specific cause or movement. You should still seek competitive financial returns when looking for socially responsible investments. It's important to recognize that while SRI may feel better than other money-making tactics, it still comes with risks. As with any investment, returns aren't guaranteed. Assess the financial outlook of socially responsible investments as you would any others.

Investment Firms Practice SRI: It isn't always easy to determine which investments are strictly socially responsible. For instance, a company could practice ethical manufacturing processes, only to dispose of waste in an irresponsible way. Some companies boast that they support female empowerment, but don't have any women on their board. It's important to do your homework to be sure you're investing in actually socially responsible institutions. If you need some help figuring out which companies to invest in, an investment firm can come in handy. When you work with an investment firm, they'll manage your portfolio for you, investing in truly ethical companies. Some names to start your investment firm search include Calvert Research and Management, Parnassus Investments, Oakmark Funds and SRI Investing. You may also want to check out the robo-advisor **Swell Investing** which focuses solely on impact investing. Each firm has different impact strategies to find its clients financially healthy and rewarding investments. They pride themselves in contributing to the world while turning a profit. You could also turn to a **financial advisor** to help you get started or scale up your SRI investing. It helps to do some digging to find out which advisors will be the best fit for your financial goals, risk profile and principles.

The Bottom Line: For many investors, socially responsible investing is a powerful way to align their investment portfolios with their

personal philosophies. Everyone can choose their own assets to buy shares in, but it's good to know that socially responsible investing in an option. Before you make your next investment, consider what a company stands for in addition to what they might earn and how risky backing it may be.

Investing Tips

- A financial advisor can be extremely helpful when it comes to investing. Finding the right financial advisor that fits your needs doesn't have to be hard. SmartAsset's free tool matches you with financial advisors in your area in 5 minutes. If you're ready to be matched with local advisors that will help you achieve your financial goals, get started now.
- Investing isn't always easy, especially when you want to maximize your earnings but don't quite know how. In that case, it could make sense to sign up with a robo-advisor. The best robo-advisors manage your investments according to your preferences and finances with a focus on getting you the best returns. Plus, it's all online which makes it convenient for those always on the go.

4.2 SUSTAINABILITY REPORTING

Sustainability reporting enables organizations to consider their impacts of wide range of sustainability issues, enabling them to be more transparent about the risks and opportunities they face. Sustainability reporting is the disclosure and communication of environmental, social, and governance (ESG) goals—as well as a company's progress towards them. The benefits of sustainability reporting include improved corporate reputation, building consumer confidence, increased innovation, and even improvement of risk management. There are many ways to build sustainability reporting into your corporate social responsibility programs, whether by making use of established sustainability reporting frameworks such as GRI or CDP, including sustainability performance as part of your overall performance disclosures, by using guidelines such as those created by the International Integrated Reporting Committee (IIRC), or making use of ranking tools such as the Dow Jones Sustainability Index (DJSI).

In many markets, both in developed and developing countries, the call for increased transparency and accountability of the private sector is growing. Potential health and environmental risks posed by companies, and the goods and services they produce, are increasing pressure on them to generate, assess, and make information on their sustainability performance and impacts publicly available. In this sense **Corporate Sustainability Reporting** represents a potential mechanism to generate data and measure progress and the contribution of companies towards global sustainable development objectives as it can help companies and organizations measure their performance in all dimensions of sustainable development, set goals, and support the transition towards a low carbon, resource efficient, and inclusive green economy.

The Corporate Sustainability Reporting portfolio of work is embedded in UN Environment's Resources and Markets Branch and more particularly within the Consumption and Production Unit which main goal is the promotion of sustainable production and consumption policies, practices and initiatives through the engagement of governments, the businesses community and civil society organizations. As part of the Corporate

Sustainability Reporting agenda, the Consumption and Production Unit hosts the Secretariat of the Group of Friends of Paragraph 47 (GoF47), a government-led initiative formed in 2012 during the United Nations Conference on Sustainable Development (Rio +20) to advance recommendations put forward under paragraph 47 of the outcome document 'The Future We Want'. In addition, the Unit implements a number of activities including regional projects to facilitate the integration of sustainable practices by companies (SDG 12.6) in alignment with the Sustainable Development Goals and to facilitate governments' task of follow-up and review of the SDGs through higher quality and comparable information emerging from corporate reports.

A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. A sustainability report also presents the organization's values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy. Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social and governance performance, and then set goals, and manage change more effectively. A sustainability report is the key platform for communicating sustainability performance and impacts – whether positive or negative.

Sustainability reporting can be considered as synonymous with other terms for non-financial reporting; triple bottom line reporting, corporate social responsibility (CSR) reporting, and more. It is also an intrinsic element of integrated reporting; a more recent development that combines the analysis of financial and non-financial performance.

Building and maintaining trust in businesses and governments is fundamental to achieving a sustainable economy and world. Every day, decisions are made by businesses and governments which have direct impacts on their stakeholders, such as financial institutions, labor organizations, civil society and citizens, and the level of trust they have with them. These decisions are rarely based on financial information alone. They are based on an assessment of risk and opportunity using information on a wide variety of immediate and future issues.

The value of the sustainability reporting process is that it ensures organizations consider their impacts on these sustainability issues, and enables them to be transparent about the risks and opportunities they face. Stakeholders also play a crucial role in identifying these risks and opportunities for organizations, particularly those that are non-financial. This increased transparency leads to better decision making, which helps build and maintain trust in businesses and governments. Sustainability reports are released by companies and organizations of all types, sizes and sectors, from every corner of the world. Thousands of companies across all sectors have published reports that reference the GRI Standards. Public authorities and non-profits are also big reporters. GRI's Sustainability Disclosure Database features all sustainability reports known to GRI.

Major providers of sustainability reporting guidance include:

- GRI (GRI's Sustainability Reporting Standards)
- The Organisation for Economic Co-operation and Development (OECD Guidelines for Multinational Enterprises)

- The United Nations Global Compact (the Communication on Progress)
- The International Organization for Standardization (ISO 26000, International Standard for social responsibility)

4.3 TRANSPARENCY

Transparency is a crucial condition to implement a CSR policy based on the reputation mechanism. The central question of this contribution is how a transparency policy ought to be organised in order to enhance the CSR behaviour of companies. Governments endorsing CSR as a new means of governance have different strategies to foster CSR transparency. In this paper we discuss the advantages and disadvantages of two conventional policy strategies: the facilitation policy and the command and control strategy. Using three criteria (efficiency, freedom and virtue) we conclude that both strategies are defective. Most attention is paid to the facilitation strategy since governments nowadays mainly use this. In evaluating this strategy we analyze the Dutch case. As an alternative we introduce a third government policy: the development of a self-regulating sub-system. By construing an analogy with the historical development of corporate financial disclosure, we point out that the vital step in the creation of a self-regulating subsystem is the creation of strong informational intermediate organizations.

Advantages of transparency The literature provides several economic and moral arguments why transparency is important in relation to CSR. First, transparency enhances allocative efficiency, at least if consumers attach value to the social and ecological consequences of the products that they buy. Transparency may also enhance dynamic efficiency and innovation. Without transparency, companies performing well in CSR cannot distinguish themselves from companies that perform badly. This will limit the incentive to and necessity of process and product innovation to increase value creation in the social and ecological dimension (see Kaptein, 2003 and Graafland et. al., 2004 and 2006). Transparency can also be defended from the moral point of view. First, consumer freedom increases when more information about the characteristics of various products is available. This information should also include the CSR relevant information of these products. Ethically speaking, informing transaction partners is an 5 important aspect of showing respect to others. Stakeholders have a reasonable right to information concerning the reporting company when its activities impinge on their interests (Deegan and Rankin, 1996; Gray, 2001). Transparency is also morally important because it enhances an attitude of honesty, openness and a commitment to truth that is implicit in thinking on CSR. Thus, it has been argued that transparency enhances a sense of accountability and responsibility (Kaptein, 2003), again virtues relevant for CSR. The argument here is that transparency makes it much easier for stakeholders to confront a company with its actions, thereby stimulating a sense of responsibility in the company. Moreover, more and better information could have a stimulating effect on the attitude of consumers vis-à-vis CSR. Currently consumers often are too passive in this respect. More transparency, for example by labelling products, will confront consumers directly with the moral consequences of their choice and thus increase their willingness to pay for CSR products (Auger et al, 2003; see also Curlo, 1999). Disadvantages of transparency All these advantages, however, do not imply that pushing

transparency to its limits is necessarily a good thing. There are disadvantages attached to striving at full transparency. From an economic point of view complete transparency may be costly to society. Although communication technology has diminished information costs, the stakeholders' right to information can be very costly to individual firms.ii This is further complicated by the fact that many aspects of CSR cannot be measured very accurately. Another problem is the bounded rationality of stakeholders. Because of the limited cognitive powers and restricted time for absorbing information, an 6 overload of information may cause the user to overlook the most important information or even to refrain from inspecting the information (Conlisk, 1996; Rabin, 1998; Fung et al, 2004). KPMG finds that stakeholders do not derive a direct measurable value from the voluminous environmental reports of large companies.iii A moral consideration against full transparency concerns company freedom. Although entrepreneurs and managers should inform their stakeholders, complete transparency and the resulting burden of compiling the necessary information may come into conflict with company freedom. Full transparency may come into conflict with other moral principles, such as the right to privacy of workers or other parties. Transparency must also not disproportionately endanger the interests of the company that provides the information (Council for the Annual Reports, 2003). This actually involves more than company secrets. If many companies in a sector conceal information that is sensitive and harmful for them, the fully transparent firm may suffer a disproportionate amount of damage. As a result, its effectiveness in realizing either allocative efficiency or long run dynamic efficiency through innovation may be limited. Yet another consideration is that full transparency may in fact turn companies against taking moral responsibility and thus CSR. Demanding full transparency may hinder the enhancement of virtues like honesty, openness and integrity. Although modest external pressure certainly can stimulate the internalisation of these virtues, beyond a certain level external pressure may also have a negative effect. It may feed an attitude of minimal compliance and distrust. This negative effect is particularly strong when companies are not able to deliver reliable information or lack the best practices of CSR (KPMG, 2006).

Transparency Establishes Trust

Transparency builds trust, and makes employees feel that they're working for a company with higher ethical standards. According to a 2014 American Psychological Association Survey, 25% of employees do not trust their employer. Half of them believe their employer is not upfront with them and open to the overall vision of the company.

When transparency is added to the corporate culture, employees will be more engaged and committed to the vision of the company. The reason is they fully understand the mission and feel vested to share ideas, display their creativity, and bring about innovation to achieve the desired objective. People are always going to be first and best choice for operating within the solution before automation since when committed will add more continuous value to the process.

So how does a company being about the full value of transparency to the workplace? The answer is communication. Please note not just any communication but direct and clear communication that comes from the

highest level of honesty and integrity. It is important that communication be a two way street both coming from top down and down up. Employees are most engaged and committed to the process when senior leadership continually updates and communicates company strategy, value, and the truth about their current situation. Companies that adopt the concept of transparent leadership see a stronger bond of trust and commitment from their employees to strive for efforts not achievable the other way around.

Transparency Expands Relationships

You have probably heard that people do not leave the job itself but leave the managers associated with it. Solid relationships with strong foundations are built from being transparent. A 2014 CareerBuilder survey showed that 37% of the 3,008 employees surveyed were likely to leave their jobs due to poor relationships and lack of confidence with their boss's performance.

So how do we improve relationships in the workplace? The best advice would be to have an open environment that encourages transparency and sharing of ideas without judgement. While this is not easy, there are training programs to improve workplace communications and teach people from all backgrounds to relate to one another without judgement. Keeping an open office is to keep the flow of communication steady to prevent bottlenecks or issues from arising. This means for senior management to engaged employees and relate to them as people. They should go out there and have meaningful conversations that build not only trust but a foundation of confidence for everyone to succeed as one. Once you establish this open line of communication you will see a shift in the mood and even your company culture.

Transparency Increases Productivity

Most employees over the years when asked felt their employers were not straight forward with the company vision and not providing the right information to be truly successful in their jobs. This creates lack of trust and a huge drop off with level of commitment to apply their full potential toward the job.

Senior Management has to be fully transparent about their organization's vision, mission, and values with employees. Transparent leadership starts with the CEO or President. This critical information depicted above must be communicated clearly to gain trust and commitment from employees to be fully vested and for them to apply themselves as a team to achieve company goals. Companies have to put together training programs holding everyone accountable to have alignment with the values, vision, and mission of the company. Investing in your core people will be less expensive and a far better investment than constant onboarding of new people.

Transparency Strengthens Innovation

The difference between companies like Amazon and Apple to others is how together a company can solve problems beforehand and come up with new ideas to disrupt the marketplace in a good way. A transparent leader main goal should be to identify each of their employee's strengths and leverage them together to handle bigger and more complex problems. Your best solutions and innovations come from truly understanding what makes your people tick and leveraging their strengths. It is important for

people to be out of their comfort zones but not dwelling on their weaknesses. Situations that allow them to leverage their strengths foster innovation and more creativity to succeed.

When employees feel micro-managed or not trusted by their manager, the result is less effort, less productivity, and most likely to leave the organization. On the other hand, employees who are empowered by their managers and feel trusted will be better performers, exert more effort, and always go above and beyond role expectations. They feel part of something big and often get tasks done on time and have greater confidence in the workplace to perform at their highest level.

So what else is important to communicate to them to strengthen innovation? It is important to let your employees in on company problems they will either have a solution for you or help you work on one. In addition, you will get a solution a lot faster than if you, alone, spent all that time trying to come up with one just because you did not want to let others know there is a major problem. Being transparent is not a weakness but actually strength at the core level. Sharing ideas and information will allow companies to get a new perspective, new opinions and better insight. Problems will be solved faster and more efficiently if you learn to be open and honest. Below is a list of suggestions to improve innovation and trust in your organization.

1. Invest in your people first and ongoing for maximum development
2. Make sure your current policies and procedures are truthful and establish trust
3. Give up full control and leverage strategically people's strengths as a team. Empower coming from trust and manage together as a team.
4. Share information upfront and always be honest with every situation no matter how bad it may be. Be proactive and not reactive.

These reasons provided will not only benefit you personally but everyone in your organization. Being transparent does not cost much to implement within your organizations. You will see major improvements in your business when you are open, honest, and communicate effectively with your team. A team effort always prevails in the long run. Establish an open environment by keeping your people in the loop and work together as one to come up with solutions rather than manage the problem. Your business is ready to reach the next level when transparency is part of the process every step of the way.

4.4 HUMAN RIGHTS

CSR is a container concept which encompasses many different ecological, social and economic issues. Human Rights as a CSR concept took prominence during 1990s as oil, gas and mining companies expanded into increasingly difficult areas. In 2005 UN Secretary General Kofi Annan appointed Harvard Professor John Ruggie to present a report on the issue of human rights and transnational corporations and other business enterprises. Ruggie presented his Guiding Principles, popularly known as 'Ruggie Framework' (Protect, Respect and Remedy) which was endorsed by UN Human Rights Council. The basic approach of Ruggie Framework is that "the corporate responsibility to respect human rights cannot be met by words alone; it requires specific measures by means of which

companies can 'know and show' that they respect rights". The responsibility of the corporation to respect human rights forms one of the three pillars of Ruggie Framework, the other two being, the duty of the State to protect against human rights abuses and the shared duty to remedy. OECD Guidelines for Multinational Enterprises (2011) also advocates for respect for human rights.

It may be noted here that the term "responsibility" rather than "duty" is meant to indicate that respecting rights is not currently an obligation that international human rights law generally imposes directly on companies, although elements of it may be reflected in domestic laws. A company's responsibility to respect applies across its business activities and through its relationships with third parties connected with those activities – such as business partners, entities in its value chain, and other non-State actors and State agents. In India, over the last two-three years there has been debate over the compulsory CSR initiatives and in fact the Draft Companies Bill 2011 provides for a constitution of a CSR Committee for companies having net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 core or more (Clause 135). Ministry of Corporate Affairs came up with the Corporate Social Responsibility Voluntary Guidelines in 2009 which has been developed further as "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (2011)" which has nine principles, one of which is "Business should respect and promote human rights". There is a development from one line to a page on human rights in the guidelines

On 26 June 2014, the government made a commitment at the United Nations Human Rights Council (UNHRC), when it voted in favour of a resolution to establish an open-ended inter-governmental working group to negotiate a legally binding international treaty to impose human rights obligations on transnational corporations (TNCs) and other business enterprises.

Even as the second anniversary of the date approaches, India is yet to put in place a human rights framework for businesses at home.

This, despite the UNHRC adopting the UN Guiding Principles on Business and Human Rights on 16 June 2011.

While there is no arguing that the involvement of business in social development is a win-win for business and the community as a whole, and the premise forms the basis of the Corporate Social Responsibility (CSR) Rules, 2014, the ground reality is very different from boardroom analysis of the impact of business operations.

According to the India Responsible Business Index, 2015, developed by Oxfam India, Corporate Responsibility Watch, Praxis and Partners in Change and based on self-reported information of the top 100 BSE companies by market capitalization, it was found that companies rarely recognize or have mechanisms in place to act on human rights violations extending beyond their own employees.

For instance, the index found that of the companies surveyed, 57 do not recognize human rights violations in the supply chain, 42 recognize it as an issue but none of the 100 companies has a mechanism to both recognize and address violations.

"Human rights abuses by business is an almost universal phenomenon, though the nature and extent of violations do vary from country to country. India is no exception. In fact, the Bhopal gas disaster of December 1984 is a living reminder of how the private sector could undermine human rights," said Surya Deva, associate professor at the School of Law, City University of Hong Kong.

In 2015, he authored a background paper titled 'India National Framework on Business and Human Rights' and in March 2016 he was appointed UNHRC's Asia-Pacific representative of the UN working group on human rights and TNCs.

According to Deva, India has a vast body of legislation for human, labour, environmental and consumer rights as well as for the protection of the rights of women, children, Scheduled Castes and Scheduled Tribes, but "the current regulatory framework is patchy, outdated or cumbersome". He believes that the existing judicial and non-judicial mechanisms suffer from multiple inadequacies and are unable to provide effective access to justice to communities adversely by corporate activities.

"Rather than doing piecemeal revisions of laws (such as in the areas of labour laws or land acquisition), the Indian government should conduct a holistic assessment of the legal-cum-policy framework to identify what is working and what is not in ensuring that companies respect human rights. Doing so would allow India to come up with a model of economic development that is both sustainable and inclusive," Deva added.

Joseph pointed out that while the Companies Act, 2013, does provide a forward-looking statute for aspects such as oversight of boards, directors, auditors and class action suits, and the judiciary has stepped in fairly regularly to liberally interpret rights, "there needs to be a more stringent focus on corporate accountability".

Voicing similar concerns, Rohan Preece, project manager at Partners in Change, a non-profit working on issues of awareness regarding CSR, said that some existing laws actually permit human rights violations, for example, the law allowing children to work.

"The law permits children as young as 14 to work in a wide range of occupations (except certain occupations that are deemed to be hazardous). This jeopardizes their right to education. And following an astonishingly regressive amendment in 2014, children below the age of 14 can now work in certain settings (such as family businesses). The law pays lip service to the child's right to education by allowing this only after school hours or during holidays; but this misses the point entirely,"

Human rights are relevant to the economic, social and environmental aspects of corporate activity. For example, labour rights requiring companies to pay fair wages affect the *economic* aspect. Human rights such as the right to non-discrimination are relevant to the *social* aspect. And the *environmental* aspects of corporate activity might affect a range of human rights, such as the right to clean drinking water. So, while the primary responsibility for the enforcement of international human rights standards lies with national governments, there is a growing acceptance that corporations also have an important role to play.

4.5 CSR AS ECONOMIC DEVELOPMENT

Economic development can be just, equitable and sustainable only when it is inclusive. The distinction between inclusive growth and inclusive development that most scholars agree on is that the former is limited to income while the latter includes non-income dimensions as well. Underlining its significance, inclusive growth has been incorporated as one of the sustainable development goals. India, asth the world's fourth fastest growing economy, ranks 60 among the 79 developing economies in 'Inclusive Development Index' developed by World Economic Forum. This shows that India is far from leading an inclusive development path in the country. India's performance in improving education and health indicators paints a dismal picture and validates that there is a long way to go to ensure that the country is following an inclusive development model.It needs innovative policy solutions to realise inclusive development. In 2013, India became the first country in the world to make spending under Corporate Social Responsibility (CSR) mandatory by law. This legislation has created an important opportunity to mobilise resources and build mechanisms to promote inclusive development in the country. This article presents the case of the important role of mandated corporate social responsibility in a plural and fragmented society like India.

Today, 'inclusive development' has become an important concept in the international development literature, but at the ground level, the situation tells a different story. In this regard, the Stockholm Statement by the world's thirteen leading economists comments that today, global forces hold out both promise and peril. It rightly observes that the expansion of global trade and investment have boosted growth. As a result, several low-income countries have moved to middle-income status. However, at the same time, many social groups in these societies have been left behind in the path of growth and development. If some social groups are not benefitting from the economic growth, then that is not an inclusive growth and inclusive development "If some social groups are not benefitting from the economic growth, then that is not an inclusive growth and inclusive development. It becomes instead socially exclusive development. The economic and the social are interconnected spheres and one impacts on the other"

It becomes instead a socially-exclusive development. The economic and the social are interconnected spheres and one impacts on the other. It is important to note that there has been a worldwide consensus on the need for an inclusive approach toward economic growth and development over the past several years. Underscoring its significance, inclusive development is incorporated into the Sustainable Development Goals (SDGs) 2030 of the United Nations. But as noted earlier, World Economic Forum's (WEF) report reiterates that inclusive growth and development remain primarily anaspiration. No systemic framework has emerged to guide policy and practice. Hence, the CSR mandate in India is indeed an unique case in the world today if seen in the context of the current economic and social context of one of the world's most populous and fastest growing economies.

"Promoting inclusive development needs innovative policy solutions. Government and free market do have a role to play in promoting inclusive

development in a country. However, it is important to note that apart from government and market, civil society is also an important stakeholder in promoting inclusive development"

The term inclusive development became centre stage only in the 21st century though it was used for the first time in academic literature at the end of the 20th century. Asian Development Bank (ADB) literature recognises inclusive development as " growth coupled with equal opportunities". It is about creating opportunities and making them accessible to all, not just to the poor. Oxfam defines inclusive development as "a pro-poor approach that equally values and incorporates the contributions of all stakeholders" including marginalised groups in addressing development issues. It promotes transparency and accountability, and enhances development cooperation outcomes through collaboration between civil society, governments, and private sector actors. In India, inclusive development appeared as a policy objective during the Eleventh Five Year Plan in 2007. The document explicitly said that "the Eleventh Plan addresses itself to the challenge of making growth both faster and more inclusive." It further acknowledged that "the rapid growth achieved in the past several years demonstrates that we have learnt how to bring about growth, but we have yet to achieve comparable success in inclusiveness". It is evident that the policy objective to promote inclusive development is pursued by the Government of India after the Eleventh Five Year Plan. In 2015, the Government of India reiterated its commitment to securing inclusive growth, leading to sustainable development in Geneva at the Plenary of the 104 Session of United Nations International Law Commission (ILC). The NITI Aayog also came up with an initiative named 'Samavesh' to achieve sustainable and more inclusive development in line with Sustainable Development Goals.

"CSR is about working with government, civil society, and the community to improve the lives of people by making growth more inclusive"

Corporate Social Responsibility (CSR) initiative in India has the potential to become this innovative policy solution to promote inclusive development. The CSR mandated by law compelled companies in India to shell out more than INR 18,625 crores towards social welfare activities in the FYs 2014-15 and 15-16. This money was spent in areas like education, healthcare, sanitation, environmental sustainability, poverty alleviation and skill development. In FY 2015-16, the top three sectors on which the most number of projects were funded and the largest amounts were spent were Health, Eradicating Hunger, Poverty and Malnutrition, Safe Drinking Water, Sanitation (3117 crore), Education, Differently abled, Livelihood (3073 crore) and Rural Development (1051 crore). This trend in CSR spending suggests that the discourse on CSR in India is increasingly about the important role corporates can play in bringing about positive change in the area of human development and social inclusion. It also recognises that CSR is about working with government, civil society, and the community to improve the lives of people by making growth more inclusive. Civil society in India is vibrant with many NGOs and foundations working with a variety of issues that are aligned with suggested areas in CSR law. Companies in India will need the support of NGOs to implement their CSR activities. CSR as mandated by the law, partnership between companies, governments and civil society is supposed to be boosted which will further lead to policy and programme innovations to accelerate inclusive

development. Not all NGOs and CSOs are credible and meet the standards, but the listing down of the those who meet the standards have already started. Universities and research organisations/consultancy firms with a rich pool of knowledge and expertise can also be leveraged to develop innovative solutions through corporate social responsibility.

4.6 CSR IN CULTURAL CONTEXT

The term corporate social responsibility (CSR) might have originated from Western discourses but prior to it the idea of philanthropy in India has evolved from its own ethos and cultural values. Philanthropic activities undertaken by rich business titans and the Gandhian trusteeship model are prominent distinctions of Indian CSR. But with the advent of liberalisation, privatisation and globalisation, the popularly called LPG policy during the early 1990s led to a fundamental shift from the philanthropy-based model to a multi-stakeholder perspective. During this phase, companies changed their approach and became responsible for all the stakeholders. The stakeholders include environment, community, customers, shareholders, suppliers and employees. In contemporary time, CSR has undergone a drastic change but some of the traditional features are still prevalent.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. Write about bottom line?
2. What are the *Sustainability* ***reporting guidance***?
3. Suggest few ways to improve innovation and trust in your organisation.

4.7 LET US SUM UP

To sum up this chapter gives us an input in the Building and maintaining trust in businesses and governments is fundamental to achieving a sustainable economy and world with the need and important in Socially responsible investing, sustainability reporting, transparency and human rights; CSR as economic development and CSR in cultural context.

4.8 ANSWER TO CHECK YOUR PROGRESS

1. The Bottom Line: For many investors, socially responsible investing is a powerful way to align their investment portfolios with their personal philosophies. Everyone can choose their own assets to buy shares in, but it’s good to know that socially responsible investing in an option.
2. Sustainability reporting guidance include:
   - GRI (GRI's Sustainability Reporting Standards)
   - The Organisation for Economic Co-operation and Development (OECD Guidelines for Multinational Enterprises)

- The United Nations Global Compact (the Communication on Progress)
- The International Organization for Standardization (ISO 26000, International Standard for social responsibility)

3. To improve innovation and trust in your organization.: Invest in your people first and ongoing for maximum development, make sure your current policies and procedures are truthful and establish trust, give up full control and leverage strategically people's strengths as a team. Empower coming from trust and manage together as a team.

   Share information upfront and always be honest with every situation no matter how bad it may be. Be proactive and not reactive

4.9 UNIT END QUESTIONS

1. Write a note on Socially responsible investing
2. What is sustainability reporting
3. State the importance of transparency
4. CSR as economic development – Justify
5. Explain CSR in cultural context.

4.10 SUGGESTED READINGS

CSR and Sustainability: From the Margins to the Mainstream: a Textbook

The Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line, Book by Bob Willard

Corporate Social Responsibility in India: Cases and Developments After the Legal Mandate

UNIT- V STAKEHOLDERS AND PERSPECTIVES – INTEREST GROUPS RELATED TO CSR – TOOLS OF CSR- BUSINESS BENEFITS OF CSR

Structure

5.1 STAKEHOLDERS AND PERSPECTIVES: MEANING & DEFINITION

Stakeholders in a process are actors (persons or organizations) with a vested interest in the policy being promoted. These stakeholders, or "interested parties," can usually be grouped into the following categories: international/donors, national political (legislators, governors), public (ministry of health [MOH], social security agency, ministry of finance), labor (unions, medical associations), commercial/private for-profit, nonprofit (nongovernmental organizations [NGOs], foundations), civil society, and users/consumers.

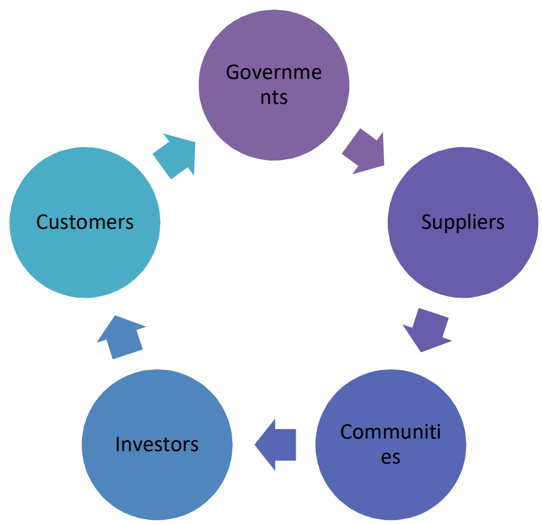
In business, a stakeholder is any individual, group, or party that has an interest in an organization and the outcomes of its actions. Common examples of stakeholders include employees, customers, shareholders, suppliers, communities, and governments. Different stakeholders have different interests, and companies often face trade-offs in trying to please all of them.

Many nonprofit organizations and research teams tend to collect this information informally. They often rely on a single, well-connected individual to develop relationships with partners. This informal style makes the institution vulnerable should that person leave the organization or not be available at a critical moment. It could also limit the diversity of the stakeholders that might be identified. You can avoid that pitfall by acting as a team. Act as a group when you identify whom to contact, document the results of contacts, and have mechanisms to share successes, challenges and lessons learned. Learning what you can about your stakeholders will also help you to develop relationships with them. Begin this work early and continue it throughout the project. Taking the time to

identify and describe stakeholders will also provide an important foundation when translating findings into intervention programs.

The Stakeholder benefits Drives Innovation - By engaging stakeholders, organizations are able to identify new business opportunities as information flow is improved and Builds Social Capital - Social capital is defined by the Office for Economic Co-operation and Development as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups”. In today’s world, social capital should be considered at least as important as fixed assets as benefits include greater access to information, improved influence and the benefit of support rather than scrutiny should unexpected problems arise.

Good corporate governance helps… to ensure that corporations take into account the interests that corporations take into account the interests of a wide range of constituencies, as well as of a wide range of constituencies, as well as of the communities within which they operate, and the communities within which they operate, and that their boards are accountable to the company that their boards are accountable to the company and the shareholders. This, in turn, helps to and the shareholders. This, in turn, helps to assure that corporations operate for the benefit assure that corporations operate for the benefit of society as a whole.



Definition: As Bryson states this is a somewhat restrictive definition because it excludes those who are affected, but who don't any power to respond to or negotiate with an organisation. Bryson prefers a more inclusive definition which extends to all stakeholders who are affected by a change, this wider definition is more compatible with notions of democracy and social justice stakeholder management.

A stakeholder is any person or entity that has an interest in a business or project. Stakeholders can have a significant impact on decisions regarding the operations and finances of an organization. Examples of stakeholders are investors, creditors, employees, and even the local community. Here is more information about the various categories of stakeholder.

5.2 TYPES OF STAKEHOLDERS

This guide will analyze the most common types of stakeholders and look at the unique needs that each of them typically has. The goal is to put yourself in the shoes of each type of stakeholder and see things from their point of view.

Customers: Many would argue that businesses exist to serve their customers. Customers are actually stakeholders of a business, in that they are impacted by the quality of service/products and their value. For example, passengers traveling on an airplane literally have their lives in the company's hands when flying with the airline.

Stake: Product/service quality and value

Employees: Employees have a direct stake in the company in that they earn an income to support themselves, along with other benefits (both monetary and non-monetary). Depending on the nature of the business, employees may also have a health and safety interest (for example, in the industries of transportation, mining, oil and gas, construction, etc.).

Stake: Employment income and safety

Investors Investors include both shareholders and debtholders. Shareholders invest capital in the business and expect to earn a certain rate of return on that invested capital. Investors are commonly concerned with the concept of shareholder value. Lumped in with this group are all other providers of capital, such as leaders and potential acquirers. All shareholders are inherently stakeholders, but stakeholders are not inherently shareholders.

Stake: Financial returns

Suppliers and Vendors: Suppliers and vendors sell goods and/or services to a business and rely on it for revenue generation and on-going income. In many industries, suppliers also have their health and safety on the line, as they may be directly involved in the company's operations.

Stake: Revenues and safety

Communities: Communities are major stakeholders in large businesses located in them. They are impacted by a wide range of things, including job creation, economic development, health, and safety. When a big company enters or exits a small community, there is an immediate and significant impact on employment, incomes, and spending in the area. With some industries, there is a potential health impact, too, as companies may alter the environment.

Stake: Health, safety, economic development

Governments: Governments can also be considered a major stakeholder in a business, as they collect taxes from the company (corporate income taxes), as well as from all the people it employs (payroll taxes) and from other spending the company incurs (sales taxes). Governments benefit from the overall Gross Domestic Product (GDP) that companies contribute to

Stake: Taxes and GDP

Ranking/Prioritizing Stakeholders

Companies often struggle to prioritize stakeholders and their competing interests. Where stakeholders are aligned, the process is easy. However, in many cases, they do not have the same interests. For example, if the company is pressured by shareholders to cut costs, it may lay off employees or reduce their wages, which presents a difficult tradeoff.

Jack Ma, the CEO of Alibaba, has famously said that, in his company, they rank stakeholders in the following priority sequence:

- Customers
- Employees
- Investors

Many other CEOs tout shareholder primacy as their number one interest. Much of the prioritization will be based on the stage a company is in. For example, if it's a startup or an early-stage business, then customers and employees are more likely to be the stakeholders considered foremost. If it's a mature, publicly-traded company, then shareholders are likely to be front and center. At the end of the day, it's up to a company, the CEO, and the board of directors to determine the appropriate ranking of stakeholders when competing interests arise.

5.3 STAKE HOLDER VS SHAREHOLDER

This is an important distinction to make. A stakeholder is anyone who has any type of stake in a business, while a shareholder is someone who owns shares (stock) in a business and thereby has an equity interest. Although the most basic of definition CSR describes it as a social obligation for an organization, which is conceptually and operationally diverse.

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

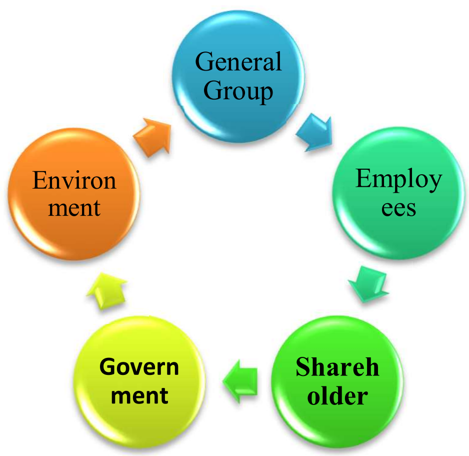
Stakeholders are described broadly by Freeman and Reed (1983) as any identifiable group or individual who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives.

In other words, a person, group, or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives, and policies. Key stakeholders in a business organisation include creditors, customers, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources.

Although stake-holding is usually self-legitimizing (those who judge themselves to be stakeholders are stakeholder), all stakeholders are not equal and different stakeholders are entitled to different considerations. For example, a company's customers are entitled to fair trading practices, but they are not entitled to the same consideration as the company's employees.

5.4 INTEREST GROUPS RELATED TO CSR

The prevalence of stakeholder theory is grounded in the belief that CSR-stakeholder relationships are the essential assets that corporates must manage. While CSR aims to define what responsibilities business ought to fulfil, the stakeholder concept addresses the issue of whom business is or should be accountable to. Both concepts are closely inter-related. However, while the CSR concept still suffers from a level of abstraction, the stakeholder approach offers a practical alternative for assessing the performance of firms as well as the key stakeholder groups.



Stakeholder theory has accordingly witnessed a new revival and dominance in the context of CSR. Brenner and Chochran suggested as early as 1991 that stakeholder theory holds the promise of becoming the theoretical center-piece in a field that is searching for workable paradigms. Doh and Guay (2006) similarly find the adoption of a stakeholder model as a potentially appropriate and insightful theoretical lens, given its ability to systematically identify social stakeholder issues, and establish specific measures of performance. An organization's stakeholder management data can thus be gathered and compared to other firms within and across industries, making social auditing for internal and external use both practical and possible.

Corporate now has spent decades to promote not only a firm's economic but also a social responsibility. This challenged a discussion in corporations what corporate responsibility should be. In the past, the CSR approach was useful to foster these important discussions and thus it is important to analyze it from different perspectives, for what CSRs should be responsible. It seems that the CSR responsibilities are not very promising to understand real-world situations for three main reasons. First, the concept of CSR itself is not distinguishable as most decisions of businesses are not purely economic, legal, ethical, or philanthropic. Consequently and by agreeing with Freeman (1994), the separation of economic and social responsibilities to which the CSR approach contributes is rejected. Second, another argument raised by Freeman (2004) against the CSR concept comes in the form of a risk that business could treat their CSR activities as moral substitutes to compensate for other irresponsible activities. And third, we argue that the general responsibilities implied by the CSR approach can't neither account for the specificity of an individual firm nor for the specific stakeholder network where it is embedded in.

A. CSR TOWARDS EMPLOYEES:

An effective strategy that many companies have been using in order to realize their goals and at the same time encourage the employees to participate in meeting the needs of the society is through employee volunteer programs.

Employee engagement has been increasingly popular to most businesses to cater to enhancing the bottom line while making socially responsible working individuals. Many successful businesses owe a part of their success to the development and application of employee volunteer programs which are now used to monitor and assess their impact on the society.

In encouraging the employees to get involved in philanthropic activities and other volunteering programs, the company must identify its best practices. One of which is to engage the employees in all levels to play the role as decision makers and leaders in the CSR activities of the organization. Their feedback on the overall impact of a certain CSR program may help the company achieve its corporate goals. Another best practice is to empower the skills and abilities of the employees in order to contribute positive outcomes to the community.

Offering opportunities for the employees in developing their skills is part of good CSR practice. Employees learn new skills that they can share and contribute to the company when they are tasked to take on roles that are different from their work scope and function in a CSR activity.

CSR enhances teamwork among employees through corporate volunteering. Apart from building a better relationship in the workplace, they strengthen the bond by working hand in hand in matters of projects and activities outside the office. They are able to appreciate each other better especially on talents that are not displayed in the workplace.

Engaging the employees in CSR activities boosts an employee's work ethics and performance. Corporate social responsibility creates an impact on employee attitude and level of awareness. It enhances their sense of direction, integrity, and cultivates positive perception about their employer and about themselves.

Commitment to the job is also strengthened as they are getting a deeper sense of dedication to working for the community. When employees realize the value of what they do, they tend to adopt similar values. Job satisfaction can now be achieved with active involvement in CSR. So, companies have to ascertain that the perception of employees towards CSR must remain positive.

CSR programs reflect the values of an organization and make the business more humanitarian instead of being viewed as merely profit-generating. According to a research, employees of the new generation would prefer to work for a company that cares for its people apart from the economic gains. They would like to be part of an organization that demonstrates its core values through participation and involvement to its employees and the community. This is the essence of corporate citizenship.

B. CSR TOWARDS SHAREHOLDERS:

Ongoing dialogue between company and its shareholders is a critical factor for maintaining effective relations and it should be realized by means of

standardized processes and mechanisms. The remuneration policy can be an effective tool to align the interests of company with the investors ones towards the creation of value in the long term. The orientation of the board for long-term can raise when the executive's remuneration is based on long-term performance. At the same way, also institutional investors should assure that performance measures and compensation policies for their executives and investment managers emphasize long-term value creation, considering this last a relevant factor for the investment risk reduction.

Companies' relationships with investors also entail social responsibility. Although a company's economic responsibility to make a profit might seem to be its main obligation to its shareholders, some investors increasingly are putting more emphasis on other aspects of social responsibility.

Some investors are limiting their investments to securities (e.g., stocks and bonds) that coincide with their beliefs about ethical and social responsibility. This is called social investing. For example, a social investment fund might eliminate from consideration the securities of all companies that make tobacco products or liquor, manufacture weapons, or have a history of being environmentally irresponsible. Not all social investment strategies are alike. Some ethical mutual funds will not invest in government securities because they help to fund the military; others freely buy government securities, with managers noting that federal funds also support the arts and pay for AIDS research. Today, assets invested using socially responsible strategies total more than $7 trillion.

Many corporate managers cater to the preference of institutional shareholders for short-term stock price performance, even though this is widely understood to threaten the sustainability of American business. For these investors, the focus is on quarterly earnings rather than longrun value that may not be reflected in the current share price. Corporate executives respond by managing the business with an emphasis on meeting quarterly earnings targets. Often this can mean avoidance of expenditures that reduce current earnings and generate payoffs only in the future.

Corporate law does not require managerial short-termism. Rather, it accords management broad discretion to use its authority in the long-run best interests of "the corporate enterprise."17 Only in one narrowly defined set of circumstances is maximization of share value required,18 and corporate management can readily avoid this requirement by choosing not to enter into transactions that trigger it. The primary cause of managerial short-termism is not the law, but instead the demands from shareholders and the effects of other incentives.

Short-term-oriented investors can put pressure on corporate managers to produce short-term results in a number of ways. The specter of large-scale sell-offs in response to failures to meet quarterly performance benchmarks is especially important. Most major corporations provide "earnings guidance" to stock analysts on a regular basis.19 From this information, analysts construct estimates of quarterly earnings performance. If, at the end of a quarter, a corporation fails to meet the analysts' consensus estimate, institutional shareholders may sell, and share prices fall as a result.20 Managers generally cannot afford the risk of these share price declines. Some institutional shareholders may put pressure on boards of

directors to remove senior executives who fail to produce acceptable quarterly results.

C. CSR TOWARDS COMMUNITY

Corporate social responsibility is a mutual way for companies to benefit the society while benefiting them in the process. We cannot expect CSR to eliminate the world's problem at once because practically that's too much to expect but it can definitely do countless good to the community in which the company is operating. What are Benefits of Corporate Social Responsibility (CSR) towards Society.

When a company is adopting CSR, it is important to let its consumers know about it. CSR initiatives become pointless if you don't get consumer acknowledgement. In this case Walmart has done it all right. Walmart has established itself as a leader on environmental efforts and for the past few years it has successfully maintained its leadership role in this particular field. Walmart was careful to inform the consumers about its CSR efforts. In 2008 Walmart ran an ad campaign designed to raise awareness about the environment.

CSR is the best way to connect with the consumers and keep them engaged with your brand because through CSR campaigns you are talking about something good which will benefit everyone.

CSR is the way to show the human face of your business. Businesses deal with humans, so you can only connect with them through human language by showing some humanity. For most businesses, it makes sense to get involved in progression of the community solely, depending on CSR initiatives related to your product or service.

CSR initiatives can be the best way to contribute to the society and its people. Through local or national charitable contributions businesses can help the society. Businesses can get involved in the society and help it to progress by taking social initiatives on behalf of the company such as investing in education programs for the poor and street children and homeless care activities for homeless people or refugees. They can support a local charity making financial contributions in effective charitable projects. If you are a restaurant owner, you may provide food to local homeless groups or to orphanages free of cost.

Businesses can pay attention to material recyclability, develop better product durability and functionality and use more renewable resources at lesser costs to keep the environment as clean as possible and contribute to the ecology of the country.

When businesses decide to make positive contributions to the society they are actually benefitting the company in the process. The companies benefit through lower operating costs, increased sales and customer loyalty, greater productivity, gaining ability to attract and keep skilled employees, getting access to more capital through more willing investors etc.

Corporate social responsibility refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development. The present-day Corporate Social Responsibility (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby business organizations consider the

interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment.1 This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large. Corporate Social Responsibility simply refers to strategies corporations or firms conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers and their families and involving in activities for environmental conservation and sustainability.

Corporate Social Responsibility calls forth management to another role, that of good citizen. And as the role of corporate fiduciary is primarily characterized by the generalized duties of loyalty, good faith, and due care, the role of corporate good citizen is marked by the generalized duty of socially responsible action.22 A corporation has three groups which have interests in its activities. The first group is of the shareholders who are investing in the same in order to get a return on their investments to the maximum possible benefit. The second group comprises the people involved in running the corporation. The third group consists of the consumers and the general public at large. This is the group which is usually neglected without compromising on the focus on consumerism which is streamlined to serve the interest of the first group and no further. The responsibility can be in terms of the loss that corporations cause in terms of negative social and environmental conditions in furtherance of economic pursuits.

D. CSR TOWARDS GOVERNMENT

In any country the government tries to preserve the community and improve its conditions. In that respect the business has to extend its co-operation to the government. If the business discharges its responsibilities the government sincerely and effectively, the government can function more efficiently. This is in the interest of the whole community and indirectly in the interest of the business. The prospects of the business depend upon the status of the community. The development of business depends upon the development of the community; hence business has got to be very particular about discharging its obligations towards the government.

The prominent responsibilities of the business towards the government can be described as follows:

To obey the Laws

The laws reflect the wishes of the community, they show what the community wants the member to do and what the community wants the member to avoid. The laws control the behavior of the individuals with each other and with the community.

If business obeys laws the society can function smoothly, and business can prosper only when the society is functioning smoothly but if laws are oppressive or obstructing the path of business, they can be opposed in constitutional manner. The business can take the help of constitution or the judiciary to oppose the laws and get them repealed. The Maharashtra government banned the sale of gutkha in Maharashtra state. The producers

of gutkha approached the court which repealed the order of the government of Maharashtra on the ground that tobacco is in the jurisdiction of the central government.

Payment of taxes: The expenditure of a modern government is heavy and is fast increasing. The main source of income for the government is the different type of taxes imposed by it. The business pays taxes on goods produced by them, taxes on goods imported by them, taxes on own income and taxes on the incomes of the employees. The bulk of the tax revenue is collected from business. If business pays the taxes honestly and on time the government can fulfill its responsibilities efficiently. If taxes are evaded by one group, the burden of taxation increases on some other group. Nonpayment of a tax is a political offence and also a social dishonesty.

Social Responsibility : In addition to the legal and political responsibilities, the business has to take up several moral responsibilities towards the society. Thus, the business has to provide training facilities for the unemployed persons so that they can get absorbed in some occupation or can setup self-employment units. Several business houses established educational institutions, hospitals, libraries, recreation halls, playgrounds etc. for the community. This is helpful in winning them sympathy from the community. It is like an investment made by the business.

Providing inputs to the government: Often the government requires inputs of technical economic financial or political importance for framing appropriate policies. The business has contacts in different sections of the community. They can be used for collecting the required information and providing it to the government. Any action based upon accurate inputs has greater chances of achieving a higher success. For eg: before imposing a tax on commodity the government likes to know the elasticity of demand for that commodity.

Other things remaining the same the government prefers to impose a tax on a commodity which enjoys relatively less elastic demand.

Government Contracts: The government has to take up several works such as construction of roads, bridges, flyovers, airports etc. Sometimes these works are undertaken by the government departments but a more common method of undertaking that work is to invite tenders and give contracts to business. It is the responsibility of the business to complete the work in time and maintain a high level of quality of the work.

Government Services: The business offers services of its leaders to the government to work on different committees. The business leaders have practical experience of a particular type of business. A committee appointed for doing something in respect of that business is highly benefited if some prominent person from that field is appointed as the chairman of that committee or commission.

Active participation in politics: Sometimes the businessmen try to participate actively in politics. A member of the TATA family contested election to the Lok sabha. Sometimes the leaders of the business are nominated to the Rajya Sabha so that the government gets the benefit of their practical experience of that field, but often the businessmen try to keep themselves away from active politics.

E. CSR TOWARDS ENVIRONMENT

Corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with the stakeholders on a voluntary basis. Social responsibility of companies was defined as responsibility to consumers, workers, stakeholders and the community. The aim of social responsibility is to create higher standards of living, while preserving the profitability of the corporation. Companies while creating profit should also be aware that they can contribute to sustainable managing their operations in such a way as to enhance economic growth and increase competitiveness whilst ensuring environmental protection and promoting social responsibility, including consumer interest. Corporate Social Responsibility and Environmental Management provides a practical resource for the ever-increasing number of organizations concerned about social and environmental responsibilities in the context of sustainable development.

India has a history of having a compassionate attitude towards environment. But with the passage of time the ethical values towards society have degraded as a result of which judiciary intervened so as to protect the environment. A concept known as corporate social responsibility emerged in the light of right to pollution free environment and the constitutional duty to protect and improve the environment. In order to realize the constitutional objective of protecting environment the concept of Corporate Social Responsibility was recognized in the legislative enactments. The paper introduces the concept of Corporate Social Responsibility and the Constitutional commitment towards environment protection. Judicial decisions bring into light the conception of Corporate by stream lining the defaulting institutions.

India is a welfare state. But with the passage of time Indian government has adopted liberalization, privatization and globalization. Public sector has slowly shifted to private one. Therefore, the new concept of Corporate Social Responsibility [CSR] means a corporate sector shall perform such welfare function towards society which is necessary for maintaining the social interest of the society. In the words of 'Carroll' and 'Buchholtz', the corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on the organizations by the society at a given point of time. According to Browin H.R., social responsibility is defined as, "the obligation of a businessman to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of the society. Some scholars have defined CSR as a social commitment of a businessman or a social obligation or moral or ethical responsibility or a corporate social philanthropy. In the words of Mahatma Gandhi, business entrepreneurs are trustees and not the owners of the social wealth and they have to spend a part of it for social causes. To describe the principle of trusteeship he quoted, enjoy the wealth, take the minimum which you need, leave the rest to the welfare of community." It cannot be considered as charity. A robust and thriving development sector is central to India's quest for equitable, inclusive and sustainable growth. India's development sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain.

5.5 TOOLS OF CSR

Companies have believed for years that their only responsibility was a financial one---maximizing value for shareholders. Corporate social responsibility (CSR) is a new idea, one in which the corporate sector incorporates social and environmental concerns in its strategies and plays a more responsible role in the world.Over the past few years, we have been witnessing to a proliferation of codes of conduct and initiatives of social responsibility. It is important that we list these initiatives and dwell on the most important in order to determine what remains to be done in matters of social responsibility.

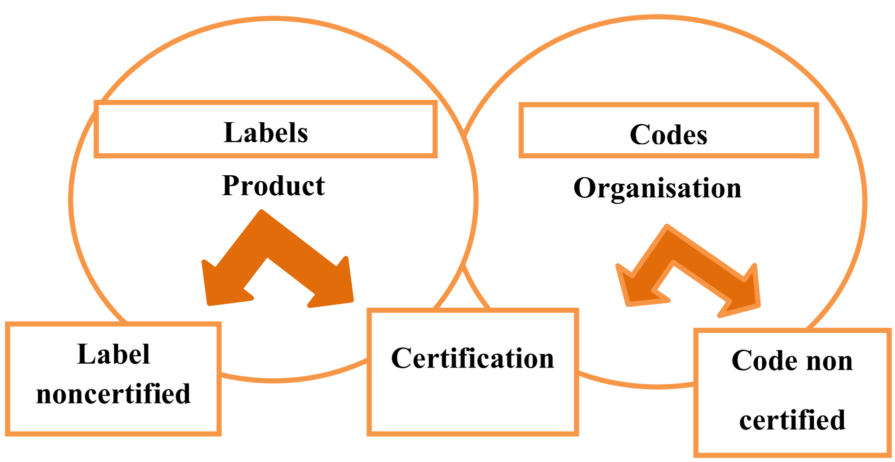
Over the past few years, we have been witnessing to a proliferation of codes of conduct andinitiatives of social responsibility. It is important that we list these initiatives and dwell on themost important in order to determine what remains to be done in matters of social responsibilityand how. Firstly, identity the different corporate social responsibility tools i.e. label,codes or certifications; in order to subsequently be able to classify them into two main sections,that is, in terms of substantive and procedural standards. Lastly, introduce elevencorporate social responsibility initiatives: The Declaration of the ILO, the Guiding Principles ofthe OECD, the ISO and the Copolco reports, the EMAS system, the Global Reporting Initiative(GRI), Global Compact, SA 8000 standard, AA1000 standard, ECS 2000 standard, the Belgianlabel and the SD 21000 Guide of the French Industrial Standards Authority.

Tools of social responsibility:

- Labels
- codes
- certifications

Three types of initiative can be identified under this new proposal qualified as ethical or socially responsible: labels, certifications and codes of conduct. These initiatives often interconnect in a system where they refer to each other, complement each other or where they compete with each other even though they may be of a different nature.

Labels, codes and certifications:



Codes of conduct are commitments made by organisations or imposed by them on their economic partners.

Labels are signs that aim to identify a product or a service according to certain criteria, whether it is ecological, biological or social. They are based on the product's intrinsic qualities or the manufacturing process and can in this way be associated with codes of conduct.

Certification is conferred on a product or a body when it complies with a certain standard, and when this compliance has been verified. Many codes of conduct and labels are the object of certification, but many of these are simple declarations that are not subject to a verification process. Moreover, the verification process can vary from one certification to another and while some permit self-declaration others require verification in partnership with NGOs.

Classifying initiatives: procedural standards and substantive standards

1) Product or organisation

2) Substantive-procedural

The first identifies the social responsibility initiatives specific to products and those specific to organisations. As such, codes of conduct relate to organisations while labels are generally associated with products. Certifications, for their part, deal with both organisations and products. The second deals with the nature of the criteria for social and environmental performance on which the tools are based. As we shall see in the following pages, codes of conduct, labels and certifications can be based on either substantive or procedural criteria, or on both criteria at the same time.

Classifying tools of social responsibility

The second classification is based on the type of verification associated with the social responsibility initiative and differentiates between the 'self-proclaimed' initiatives and those benefiting from professional, institutional or social recognition. The social responsibility initiative with the least number of constraints for its economic actors is, of course, that founded on the declaration of principles, through which the management body publicly commits itself to respect a series of principles. In the same category, self-verification certifies that the company itself has carried out the checks necessary to determine whether or not it is fulfilling its commitments. Both forms of verification can be qualified as self-verification as they involve no external audit verifying that the company conforms to the requirements specified. The second category of initiatives involves an external audit, carried out by independent professionals, civil servants or NGOs. Independent and private verifications describe audits carried out by consultancy bodies, mostly made up of accountants, but also representative of broader professional backgrounds such as environmental experts. Public verifications refer to audits carried out by public authorities or bodies under their control. Regulation is obviously the purest form of this type of verification, but there are also hybrid forms of public and private verification. Lastly, what we suggest should be called hetero-verification, as it involves the intervention of an 'other' with all the controversy that this implies, deals with public initiatives of verification by base-level groups, NGOs and campaign groups.

It has been a century old practice in India to implement social impact/audit tools on the philanthropic projects funded by International Agencies. Social audit and impact tools have been gaining currency in evaluating

philanthropic projects lately. The excruciating process to conduct Need Analysis, Social Audit has become a part of CSR Project Management. As time has progressed the Social welfare scheme/philanthropic scene has developed, and we have evolved to accept and implement international CSR Project management tools.

The past few years have seen international CSR management practices gaining momentum. The company Law 2013 has led to the advent of foreign consulting companies. International consulting companies have been nudging Indian businesses to move away from mostly subjective conventional social impact studies to more quantitative and measurable methods.

1. Reliable means of Communication: In order to establish a smooth liaison and understanding between business and community, there must be a reliable means of communication. This is provided by a free and vigorous press, which is essential if the company is to discharge its responsibilities. It is through the press that good relationship is developed between the business and the people.

Regular and periodic representation of facts, figures, and statistics through press is a great asset for the business as much as its image in the public eye is brightened. That is why businessmen hold frequent press conferences to explain their points of view and present facts to the press and are prepared to hear its reactions.

2. Trained and Educated Men and Women: The company needs trained and educated men and women to carry on its business. As a citizen, the company has no right to damage the amenities/property of the community. The presence of bad effluents, smoky chimneys, ugly buildings, heaps of solid waste emitting bad odor, insanitary slums, and polluted atmosphere is an indication of the fact that the business is quite negligent of its moral duty towards the community. To improve the situation regarding proper siting of industry and housing colonies, the company must work through consultation of the locality, rather than build and own these without having such prior discussions. The company should allow its workers time off for civic duties and for assisting the technical and other educational programmes.

3. Public Meetings: Public meetings serve a very useful purpose in as much as they apprise the community of what a company has done, what it proposes to do and whether its objectives have been accomplished. Such local meetings should be regular and annually held and open to the representatives of consumers, workers and the community besides those of the shareholders. At such meetings, the chairman gives the report on the general position of the business, the price of its products, their quality and standards, future prospects for their improvement, conditions of employment, prospects of expansion and growth, relation between business and the community and the activities that business has undertaken for the benefit of the community.

4. Social Audit: This is an important tool by which factual assessment of the work done and of the social performance of business is done. The objective of social audit is to find out whether any cooperation and mutual relationship exist between labor and management, and whether the business has fulfilled its economic, social and other responsibilities and maintained its predetermined standard and status; what is the nature of

public relations with the customers etc. Social audit must be compulsory for all companies.

5.6 BUSINESS BENEFITS OF CSR

One of the benefits of pursuing a strategy of social responsibility is that it generates a positive public image for your company. Further, companies that meaningfully engage in CSR generate increased media coverage that is earned as opposed to paid, which is free, positive publicity. With consumers increasingly concerned about the ethics of the goods and services they purchase; positive publicity is ever more important.

A strong CSR program can also attract more investors and partners to your company by illustrating that your business is about more than just the bottom line. What's more, investing in CSR can show investors that your company is healthy and looking towards the future. For example, going green may have an upfront cost, but it will likely pay off in the long term. Research shows that companies that pursue green programs perform better than those that don't, especially in the second year after the program launch.

Corporate social responsibility or CSR is a self-regulating business model that allows a company to be socially accountable not only to itself but also to its stakeholders and the public. If that definition went over your head, here is a simpler explanation for you. By practicing CSR, a company adds values to the society and the environment without compromising with the business process.

Primarily, CSR is a strategy for large corporations that have grown to the point where they can give back to society and the environment. It is a great way to boost your own brand by contributing to society through CSR activities, philanthropy, and volunteer efforts. Moreover, CSR activities can also strengthen the bond between the employees and the corporation and make them feel more connected with the world around them.

By practicing CSR, a company adds values to the society and the environment without compromising with the business process. Primarily, CSR is a strategy for large corporations that have grown to the point where they can give back to society and the environment. It is a great way to boost your own brand by contributing to society through CSR activities, philanthropy, and volunteer efforts. Moreover, CSR activities can also strengthen the bond between the employees and the corporation and make them feel more connected with the world around them.

CSR activities reflect positively on the image of a company. When you implement CSR policies in your company, it increases your goodwill. Consumers will be more willing to avail your products/services because of the clean image of your company. Companies which are involved in serious CSR activities are more recognizable. This makes it easier for your company to attract potential candidates who seek employment opportunities. Also, when your company starts earning goodwill through significant CSR activities, the employees are more likely to continue with the company for a longer tenure.

A company's reputation in the market determines whether it will receive new investments or not. With CSR programs, you can certainly boost your company's image. And when your company starts to grab enough eyeballs, it also attracts a number of investors. Be prepared to receive investment

proposals from venture capitalists, other firms, and even from the government. It is the job of the regulatory authorities to scrutinize the operations of various companies. However, when your company starts doing CSR activities on a large scale, these regulatory authorities become less hostile towards your company. Besides, any company that has a strong CSR generally stays within the regulations to gain the benefits.

A company's reputation in the market determines whether it will receive new investments or not. With CSR programs, you can certainly boost your company's image. And when your company starts to grab enough eyeballs, it also attracts a number of investors. Be prepared to receive investment proposals from venture capitalists, other firms, and even from the government. It is often said that any publicity is good publicity. When your company starts a CSR program, it automatically gives your company a certain level of publicity. It won't be wrong to call such publicity as an advertisement. You just need to make sure your products or services are aligned with the CSR activities you are involved in.

Quite simply, a socially responsible company can make a real difference in their own respective communities. This, in turn, can create a more robust reputation for the company, making them more trustworthy for the people, which can then lead to more shareholder value and profit. Thus, the cycle continues, cementing the idea that a socially responsible company has more chances of staying relevant for a long time. This goes way beyond the relationship with the local community, as a socially responsible company makes it an employer of choice, leading to more employees that would genuinely want to support a company's mission and vision. This, in turn, would lead to a much healthier employer-employee relationship that goes beyond the simple you're-here-because-I-pay-you situation. It also helps that the current working force is mostly made up of millennials.

According to Better Business Journey, 88 percent of consumers said they were more likely to buy from a company that supports and engages in activities to improve society. This couldn't be any truer, after all, a company that customers can trust is a company they will stay loyal to for a long time. Perhaps one of the most important long-term factor to consider in a business, CSR helps make a company more sustainable and long-lasting.

Social contribution and sustainability are features that appeal to a whole new class of customers for any solution. These features are extremely important in penetrating customer sets in different cultures around the world, and more discerning customers in every geography. Sustainability and social responsibility are ways to extend your exclusivity and added value, thus lowering risk, improving profitability, and justifying a premium price. All stakeholders see this as an advantage, encouraging new investors and raising the valuation of your business.

These days, existing customer advocacy is a key attractor of new customers. In addition, according to recent statistics, the cost of bringing a new customer to the same level of profitability as old ones is up to 16 times more. Most Millennials and customers of all ages these days strongly believe that all businesses must be socially responsible and make that a top criteria for selecting a solution source. Sponsoring social initiatives and providing time for employees to support their own initiatives builds loyalty, pride, and motivation among team members and disparate

organizations within the company. This makes everyone in the company more engaged, more responsive, and more productive. Company success is driven by the quality of the team members they can attract and retain. If your business is recognized as providing a socially responsible culture for employees, as well as comparable initiatives outside the business, the best and the brightest will join you.

They see a commitment to social change as great positioning for the long-term, with sustainable value to customers and owners alike. They look for that balance between maximizing profit and expanding the market. A potential offset to all these advantages is that balancing act that is required between social initiatives and the focus on making more money for survival. It takes a strong and adept business leader and entrepreneur to make the right tradeoffs.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. Differentiate between stakeholder and shareholder?
2. Name some of the interest groups to CSR?
3. What are the types of Stakeholders?
4. What are the benefits of CSR to business?

5.7 LET US SUM UP

The stakeholder view of strategy integrates a resource-based view and a market-based view, and adds a socio-political level. One common version of stakeholder theory seeks to define the specific stakeholders of a company (the normative theory of stakeholder identification) and then examine the conditions under which managers treat these parties as stakeholders .

Through this its also visible that the role of the stake holder is a bit more and important when it comes to CSR that each levels contribute for the welfare of the community.

5.8 ANSWER TO CHECK YOUR PROGRESS

1. A shareholder can sell their stock and buy different stock; they do not have a long-term need for the company. Stakeholders, however, are bound to the company for a longer term and for specified need and have a long-term need.
2. Government, Customers, Creditors Society etc.
3. Communities, Investors, Suppliers, Competitors etc.
4. It portrays that the company and the business a corporate undertakes is not only for the benefit of the company, but the corporate has some initiatives towards the social concern as well and these attract the profit margins and the customers and the investors as well.

5.9 UNIT END EXERCISE

1. Discuss the role of shareholder and stakeholder in a corporate sector?
2. Try preparing a tool or a technique for CSR?
3. Discuss some of the benefits for the employees in a CSR initiatives?
4. Discuss the important roles that each stakeholder play in a CSR?

5.10 SUGGESTED READINGS

http://web.mit.edu/urbanupgrading/upgrading/issues-tools/issues/stakeholder.html

https://ctb.ku.edu/en/table-of-contents/participation/encouraging-involvement/identify-stakeholders/main

http://www.brainkart.com/article/Social-Responsibility-towards-Different-Interest-Groups_34939/

Corporate Social Responsibility in a Global World by Kiyoteru Tsutsui (2015)

Business Ethics by Alejo José G. Sison (Editor); Ignacio Ferrero (Editor); Gregorio Guitián (Editor) (Publication date 2018)

A Practical guide to Corporate Social Responsibility by CS Rupanjana De, Bloomsbury India.

UNIT- VI DESIGNING A CSR POLICY – FACTORS INFLUENCING CSR POLICY – MANAGING CSR IN AN ORGANISATION – ROLE OF HR PROFESSIONALS IN CSR

Structure

6.1 DESIGNING A CSR POLICY

In today's competitive business environment, CSR programs need to go beyond "doing good." The most successful CSR initiatives tell a company's story, implement customer feedback, position a company as a leader on social issues, and determine how community investment dollars will be spent. But to accomplish this, CSR programs first need to be strategically aligned with a company's business model. If corporate citizenship efforts do not demonstrate value to customers, employees, and shareholders, as well as the community, they're less likely to be successful and serve a long term purpose. Below are five ways that your company can craft an effective corporate social responsibility program that is strategic and sustainable:

1. **Build your strategy around your company's core competencies:** There are many worthy causes companies can choose to support, but without focus and alignment around what your business already does well, CSR efforts may be less effective. If a company has developed strengths, research, and knowledge in a specific area, supporting a cause that aligns with that expertise can be both a win for community partners and the company with new customer visibility and revenue streams. "CSR can be both a risk mitigation strategy and an opportunity-seeking strategy, and leaders should look for the 'sweet spot' within their organizations—that is, the intersection between business and social/environmental returns," Kellie McElhaney, Director at the Center for Responsible Business.

2. **Recognize issues that matter to your customers:** According to a Cone Communications CSR Study, 87% of consumers would purchase a product based on a company supporting a social or environmental issue the consumer cares about. Consumers are rewarding socially responsible companies through brand loyalty, making donations to charities companies support, and purchasing products that provide a social benefit. As recent corporate scandals in the news have demonstrated, consumers also aren't afraid to use their buying power to punish companies who have acted irresponsibly or harmfully, through boycotts and negative social media campaigns.

3. **Develop CSR initiatives that make your employees proud:** Strategic companies are also using CSR programs to protect and grow their biggest asset—their employees. Seventy-six percent of millennials consider a company's social and environmental commitments when deciding where to work and 64% would not take a job if a potential employer didn't have strong corporate social responsibility practices in place. "Being a good employer has always served companies well in terms of recruitment and retention, now those practices can also yield broader positive business benefits," said Alison DaSilva, Executive VP of CSR Strategy at Cone Communications. In addition, engaged employees are more likely to stay with a company longer, reducing attrition cost. Eighty-eight percent of millennials say their job is more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues. These initiatives can range from paid time off for volunteering to company-wide days of service to skills-based virtual micro-volunteering opportunities.
4. **Measure the ROI of your CSR efforts for the C-suite and your investors:** Measuring CSR programs can be overwhelming, especially when initiatives can span many different departments such as human resources, marketing, sustainability and compliance. However, developing an organized framework for reporting that links efforts back to strategic priorities for the business will inform your C-suite and investors if your CSR efforts are affecting your company's performance. Seek to quantify socially conscious efforts that are directly tied to the company's bottom line—for example, activities that drive cost savings, new customer acquisition, and brand awareness.
5. **Expand your company's definition of CSR:** Traditionally, efforts aimed at reducing environmental resources, annual giving programs, and cause marketing campaigns largely defined good corporate citizenship. And while those efforts are valuable, consumers and companies alike have grown and become more innovative in how they define a responsible company. According to a Cone Communications CSR Study, consumers prioritize the following business actions as important: being a good employer, operating in a way that protects and benefits society and the environment, creating products and services that ensure individual wellbeing, investing in causes in local communities and around the globe, and standing up for important social justice issues.

   CSR programs have the potential to help your business and society progress, but only if done well. By aligning corporate citizenship efforts with revenue-generating activities, you can ensure your CSR program is strategic and sustainable.

CSR programs speak to how a company will not only comply with legal and ethical standards, but also go beyond – perhaps, by engaging in further social and/or environmental good in the local and ultimately global community.

In addition to being a good corporate citizen, having a well thought out and executed CSR program becomes part of your appeal in the business development process. As large brands increasingly aim to do business with

companies whose policies mirror their own commitment, your access to their business now or in future could hinge on whether your company has a CSR policy that aligns with theirs.

10 things to keep in mind for laying the foundation for a successful CSR policy:

1. ***Determine what makes your company unique:*** Each company's culture and skills position it to establish unique ways to support sustainable communities through initiatives that are intrinsic to a company's brand. This is your company's opportunity to get local or global or creative or all of the above. Establish what will motivate employees and align the company's objectives with external stakeholders. Companies might initiate best-in-class policies, champion regulatory or legislative changes, or reinvent a product that changes an industry.

2. ***Look at the gold standards for guidelines:*** Adopt an internationally recognized standard with approved criteria and metrics that are independently verified by a certification body. Find one with metrics most relevant to your business so you can establish your baseline performance and goals – perhaps that's the certification of core source material you use in your business, or your carbon or water footprint, level of waste diversion, and/or your community involvement. Look at the areas that are impacted by your business, the areas that matter to you, and to the stakeholders you want to engage.

3. ***Engage employees:*** By engaging your employees in the process of creating, implementing and managing your CSR policy you will foster a sense of ownership in and responsibility for the success of your company's CSR program while discovering the ways in which core business must adapt its practices to best execute the program.

4. ***Consider health and safety:*** Your policies should take into account the health and safety of your employees beyond what is just required by the letter of the law. This doesn't stop at hard hats or safety glasses, but extends to all facets of how you do business. Ensure that you have the budget and infrastructure for proper equipment, training and support. Healthy and safe work employees are the most productive employees.

5. ***Draft it. Live it. Breathe it:*** A CSR program is more than a well-articulated document – it needs to be comprised of executable principles that every member of the organization can put into action. If you're asking your team to do anything you yourself wouldn't do, then assume there are others like you on the team and re-evaluate.

6. ***Brand it:*** Consider your CSR program not only as part of your overall brand strategy but as having an equally strong and recognizable brand that can stand alone. Could your CSR program be the difference maker between you and your competition? If so, you'll want to monetize that distinction by branding the program for both customers and employees as you build a sustainable and positive corporate culture.

7. ***Establish metrics:*** Identify the benchmarks and metrics that reinforce successful practices in order to show how you've moved the needle over time. By actively adhering to reported outcomes you will also demonstrate commitment and align your company with potential stakeholders who respect the effort and the transparency.

8. ***Treat your program like a course of study and create a curriculum:*** Build in the training and education that will be needed for current and future employees to learn about the program and how to embody it within their job function.

9. ***Continuous improvement:*** Once you've determined the program, don't rest on your laurels. CSR programs have goals – what will you do once you achieve those goals? How will you push farther? Account for continuous improvement strategies that will increase your potential impact every year. Perhaps it's about higher percentages or certification.

10. ***Leverage your CSR policy to align with like-minded companies and build trust:*** Reach out and engage with other companies that share your values through formal networks, associations, conferences and panel discussions. This will help showcase your company's CSR commitment and allow you to compare notes and take learning back to your team for future strategic planning, positioning and growth.

The sooner you establish your CSR policy, the sooner you can begin demonstrating your company's commitment to upholding far-reaching and long-term sustainability standards. And with that establish the leadership, trusted relationships and positioning needed for successful future growth.

6.2 FACTORS INFLUENCING CSR POLICY

In recent times, the markets have had a huge impact on adoption of CSR initiatives. Broadly speaking, this has happened in both direct and indirect ways.

Consumer Awareness: The consumer as a concerned citizen is aware of how companies are impacting the society and the environment, and as a consumer, he/she can choose to patronize companies who have a better record of discharging their social responsibilities.

Market Forces: Consumers have indirectly impacted adoption of CSR. They expect companies to be proactive in being socially responsible and also expect companies to enforce the same standards on their business partner Companies such as Nike, Hershey’s, Wal-Mart, and even Body Shop have faced a lot of flak when their suppliers have been found to engage in unfair employment or environmentally harmful practices.

This means that large corporations are now imposing social responsibilities on their suppliers and other business partners. Many of these partners are SMEs and in order to continue as suppliers to these large corporate, they have to introduce minimum levels of social responsibility in the way they conduct business.

Globalization: The CSR is now being implemented across the supply chain and with this comes the realization that many of these supply chains are global in nature. For example, petroleum from Saudi Arabia is processed into polymers in a petrochemical complex in India, which is then shipped to China, where it is used to make toys. It is then ultimately sold in a store in Argentina belonging to a US-based retailer.

The companies benefit through lower operating costs, increased sales and customer loyalty, greater productivity, gaining ability to attract and keep skilled employees, getting access to more capital through more willing

investors etc. **CSR** is the thoughtful and practical way to give back to the **society**.

Besides the potential loss of socially conscious consumers, **CSR impacts** a business' ability to attract top talent and affects employees' job satisfaction levels and retention rates. The next generation of workers currently entering the workforce seek out employers with a clear and effective **CSR** strategy.

The phenomenal stretch of Globalization has touched and affected, positively or negatively as well, practically every aspect of human existence, through its varying tentacles in its ever-propagating areas of influence. The recognition and acceptance of the phenomena of Corporate Social Responsibility (hereinafter referred to as CSR), in developed as well as developing countries, is a doting example of the same. It needs a special mention that CSR is nowhere a legally sanctioned document or observance, but it indeed, has come forth as a minimal standard as to the governance of business at global level, with international reference standards set by the United Nations, Organization for Economic Co-operation and Development (OECD) guidelines and International Labour Organization (ILO) conventions.

The primary reason as to why this phenomena is rising at such a fast pace, is the global competitiveness ensuing between the business houses of different countries. The corporates mainly demonstrate the extra responsibility to earn the goodwill of the market, and CSR helps in building loyalty and trust amongst shareholders, employees and customers. In this sense CSR denotes a voluntary endeavour by the big business houses to look into the varied issues and concerns of the public at large, apart from the profit-maximising objectives.

CSR is closely linked with the principle of sustainable development, which argues that enterprises should make decisions based not only on financial factors such as profits or dividends but also based on immediate and long term social and environmental consequences of its activities. CSR has a significant role in controlling the perils of uncontrolled development, satisfying the needs of the present generation and at the same time ensuring that the resources of future generations is not jeopardized. [1] The inclusion of the objective of 'sustainable development' within the CSR agenda magnifies the duties and responsibilities of the big business houses, upto a large extent, which cannot be made limited as per any parameters. The realization of the ultimate objective of sustainable development is a long and continuous process, and is rather more inclusive, which includes the interest of the developing nations also.

The impact of CSR in context of developing nations, as evident, is rather a negative impact. The primary reason as identified by the authors seems to be the inappropriate approach towards the practical applicability of the CSR in the developing countries. There is lacunae in the structural approach towards implementation of the CSR agenda within the developing countries, mainly due to the irresponsible inactiveness on the part of the government of the developing countries, in framing its policies and regulations as per the international norms and requirements, as CSR is largely a global phenomena.

6.3 MANAGING CSR IN AN ORGANISATION

As a cross funcional process in the organization, effective **management** of **corporate social responsibility** requires a definition of strategies, programs and an action plan that structures this process from its initiation to the measurement of end effects

- ***Adopt a business code of ethics:*** A business code of ethics will outline employee conduct on issues such as ethics, values, environment, diversity, employee respect and customer service. More and more entrepreneurs are choosing to go one step further by changing their governance document to include their commitment to social and environmental goals.
- ***Follow a workplace health and safety program:*** Creating a clear workplace health and safety program will help you establish reliable systems to protect your employees and prevent accidents and injuries. It will also ensure you are compliant with government legislation on health and safety.
- ***Commit to protecting the environment:*** Develop policies and practices that allow your company to fulfill your **commitment to the environment**. For example, you can consider producing a report that documents your activities and results as they relate to your environmental impact. Some companies produce broader "sustainability" reports, which encompass social, economic and environmental activities.
- ***Get your suppliers on board:*** Ensure your suppliers know and meet your expectations of responsible behaviour regarding issues such as fair pricing, for example. Screen them to determine their past conduct, and tell them what you expect.
- ***Be smart about donating money:*** Get behind causes that are meaningful for your business. A forestry business, for example, might choose to support organizations that protect the environment. Many manufacturing businesses donate to community organizations in towns where they have plants. The idea is to give back to society, while at the same time sending a message about the values of your brand.
- ***Don't greenwash your business:*** Use marketing techniques that are fair and honest, and that reflect your company's integrity. Avoid any advertising or communication that could be seen as manipulative or harmful to the public. Make sure you walk the talk and that your company does what it says it does, otherwise your company could risk a customer backlash.
- ***Explore B Corp certification:*** Many public and society-minded entrepreneurs are choosing to get B Corp certified. B Corps are certified "beneficial" companies. Their purpose is to create value for society as well as money. They meet high standards of transparency and accountability, and create positive social and environmental benefit.

6.4 ROLE OF HR PROFESSIONALS IN CSR

Human Resource departments play a critical role in ensuring that the company adopts CSR responsibility programs. Furthermore, HR can manage the CSR plan implementation and monitor its adoption proactively, while documenting (and celebrating) its success throughout the company.

HR technology can help with a CSR program, including reducing the company's carbon footprint to benefit the planet. Start with these areas:

- Implement and encourage green practices.
- Foster a culture of social responsibility.
- Celebrate successes.
- Share and communicate the value of corporate social responsibility to employees and the community.

Implement and Encourage Green Practices: Implement green practices to assist in environmental waste reduction, while promoting and encouraging stewardship growth, better corporate ethics and long-lasting practices that promote both personal and corporate accountability. The value inherent in embracing green aspects of corporate responsibility is clearly understood, given the direct impact that rising energy and utility costs have on employees' pocketbooks. Conservation has become an accepted means of making our planet healthier. Reducing each employee's carbon footprint is a great way of getting energy conservation and recycling waste initiatives off the ground. Here are suggestions to start:

- Recycle paper, cans, and bottles in the office; recognize departmental efforts.
- Collect food, and especially donations, for victims of floods, hurricanes and other natural disasters around the globe.
- Encourage reduced energy consumption; subsidize transit passes, make it easy for employees to carpool, encourage staggered staffing to allow after rush hour transit.
- Permit telecommuting and allow employees working remotely to the degree possible.
- Encourage shutting off lights, computers, and printers after work hours and on weekends for further energy reductions.
- Work with IT to switch to laptops over desktop computers. (Laptops consume up to 90% less power.)
- Increase the use of teleconferencing, rather than on-site meetings and trips.
- Promote brown-bagging in the office to help employees reduce fat and calories to live healthier lives and reduce packaging waste, too.

It can be safely said that Human Resource is taking a more proactive role as an Active Business Partner. CSR has increased motivation level of the employees. The analysis also revealed that CSR activities increase employee commitment towards work and organization. This leads to positive and efficient results.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What are the factors influencing CSR policy r?
2. Role of HR professional in CSR?
3. What is the need in 'Commit to protecting the environment'?

6.5 LET US SUM UP

This chapter deals with the Designing a CSR policy, factors influencing CSR policy, managing CSR in an organisation and role of HR professionals in CSR for our basic understanding and developing CSR Policies and equip us in grooming ourselves in as a professional in CSR

6.6 ANSWER TO CHECK YOUR PROGRESS

1. Consumer awareness, market place and globalisation.
2. Role of HR Professional in CSR
   - Implement and encourage green practices.
   - Foster a culture of social responsibility.
   - Celebrate successes.
   - Share and communicate the value of corporate social responsibility to employees and the community.
3. Commit to protecting the environment: Develop policies and practices that allow your company to fulfill your commitment to the environment.

6.7 UNIT END QUESTIONS

1. Elucidate the importance of Designing a CSR policy
2. Briefly explain the factors influencing CSR policy
3. What is the need of managing CSR in an organisation?
4. Explain the role of HR professionals in CSR

6.8 SUGGESTED READINGS

Lexis Nexis CSR in India - Steering Business towards Social Change 1st Edition 2017 by Kshama V Kaushik.

Ethics codes, corporations and the challenge of globalisation, Cragg Wesley, 2005.

Journal of business ethics.

The journal of Management and governance.

CSR and environmental management.

UNIT- VII GLOBAL RECOGNITIONS OF CSR – ISO 14000 – SA 8000 – AA 1000 – CODES FORMULATED BY UN GLOBAL COMPACT-UNDP, GLOBAL REPORTING INITIATIVE

Structure

7.1 GLOBAL RECOGNITIONS OF CSR

Geothermal leader Energy Development Corporation (EDC) has recently been included in the FTSE4Good Emerging Index for its strong Environmental, Social and Governance (ESG) practices and was cited by CSR Asia Weekly as the top PH company admired by CSR professionals. FTSE4Good is an equity index series created by global index provider FTSE Russell, part of London Stock Exchange Group, designed to help investors integrate environmental, social and governance (ESG) factors into their investment decisions. The indexes identify companies that better manage ESG risks and meet globally recognized and stringent corporate responsibility standards. The FTSE4Good Emerging Index was launched in December 2016 and covers over 20 emerging countries.

Meanwhile, Asia-Pacific Region publication CSR Asia Weekly ranked EDC first in the Philippines and no. 6 in Asia Pacific among companies that Corporate Social Responsibility professionals admire. The result was called from a survey conducted among 500 CSR managers, consultants and NGO professionals by CSR Asia, one of the leading providers of research, training and advisory services on sustainable business practices in Asia.

According to the published report, EDC, a new entry in the list of outstanding companies doing sustainable CSR work, was given a thumbs up for programs they have implemented that seek to improve the lives of the people and protection of the environment. Apart from being a global diversified renewable power company, EDC implements comprehensive environmental management and corporate social responsibility programs that ensure inclusive growth and enhance the ecosystem in areas where it operates. “For over 40 years, we have strived to make a positive impact on the environment and our host communities as we generate clean, renewable energy to power our country. Creating harmony for our business, the people around us, and our planet has always been at the heart

of our sustainability strategy," said Richard B. Tantoco, EDC president and COO. EDC's Health, Education, Livelihood, and Environment (HELEn) program has been consistently recognized for its success and sustainability. EDC, the country's leading producer of geothermal energy, likewise measures its own economic, environmental, and social impact and discloses it every year through its annual performance report following the Global Reporting Initiative's most widely used reporting framework.

7.2 ISO 14000

ISO 14000 is defined as a series of international environmental management standards, guides, and technical reports. The standards specify requirements for establishing an environmental management policy, determining environmental impacts of products or services, planning environmental objectives, implementing programs to meet objectives, and conducting corrective action and management review.

The primary objective of the ISO 14000 series of standards is to promote effective environmental management systems in organizations. The standards seek to provide cost-effective tools that make use of best practices for organizing and applying information about environmental management.

The ISO 14000 family was developed in response to a recognized industry need for standardization. With different organizational approaches to environmental management, comparisons of systems and collaboration had proved difficult.

History of ISO 14000

- The first environmental management system standard, BS 7750, was published in 1992 by the BSI group.
- In 1996, the International Organization for Standardization (ISO) created the ISO 14000 family of standards.
- ISO 14001 underwent revision in 2004.
- The current revision of ISO 14001 was published in September 2015.

The first standard in the ISO 14000 series, ISO 14001, provides an organization with the requirements for an environmental management system (EMS) that can easily integrate into their business management systems. This system allows an organization to take a proactive approach to environmental issues with the early identification of problems and the prospects for improvement thereby achieving higher standards of environmental performance. ISO 14000 is a set of international standards covering environmental management systems (EMS), environmental auditing, environmental labeling, the assessment of environmental performance and life cycle evaluation. As a follow-up to the standardization process that was started with the ISO 9000 series, the ISO 14000 series of international standards sets the outline on how organizations can integrate environmental considerations into their operations and products. It is a set of voluntary environmental management standards, guides and technical reports, which specifically concentrates on environmental management systems, operating practices, products, and services. The ISO 14000 standards do not propose environmental targets but provide organizations with the tools to evaluate

the impact that their activities, products or services have on the environment.

Principles of environmental management:

Standards outlined in the ISO 14000 family are designed with key principles of environmental management in mind:

- To encompass environmental management systems and the environmental aspects of products
- To not be restricted by country or region
- To uphold and promote public interest as well as the interests of those who use and be affected by the standards
- To be cost-efficient, robust, and adapt to many different needs, requirements, and circumstances, at any scale, globally
- As part of their flexibility, to be suitable for internal and/or external verification
- To utilize scientific evidence and principles
- To continuously improve upon existing principles of environmental management
- To be actionable, practical, and useful for organizations using them

ISO 14000 & other standards in the ISO 14000 family

Some of the most notable standards in the ISO 14000 series include:

- ISO 14004 – General guidelines on principles, systems and support techniques
- ISO 14006 – Guidelines for incorporating ecodesign
- ISO 14015 – Environmental assessment of sites and organizations (EASO)
- ISO 14020 – Environmental labels and declarations
- ISO 14031 – Environmental performance evaluation
- ISO 14040 – Life cycle assessment
- ISO 14050 – Vocabulary
- ISO 14063 – Environmental communication
- ISO 14064 – Greenhouse gases
- ISO 19011 – Guidelines for auditing management systems

One of the most popular of all of the ISO 14000 standards, ISO 14001 sets out the requirements for an effective environmental management system (EMS), much like the 9001 standard outlines the requirements for an effective quality management system (QMS). ISO 14001, as with ISO 9001, provides a framework that organizations are free to use as a guideline or foundation to build their own tailored requirements.

By implementing an environmental management system based on ISO 14000 principles, companies stand to gain:

- Improved environmental performance
- Improved internal management
- Improved company image
- Improved public relations
- Improved government relations
- Improved profits
- Increased corporate social responsibility
- Optimized resource allocation and organization
- More satisfied stakeholders
- Advantages over competition in various markets
- Fewer non-tariff trade barriers
- Fewer regulatory problems and inspections
- Probably fewer fines related to compliance and regulation
- Reduced overhead costs
- Reduced insurance costs
- Reduced costs of production

7.3 SA 8000

Sustainability **SA 8000** - Certification - **Social Accountability**. **SA 8000** is an international certification standard that encourages organisations to develop, maintain and apply socially acceptable practices in the workplace. A social audit is one of the best ways to cost-effectively evaluate your supplier and proactively identify any compliance issues. Many different social compliance standards exist, but Social Accountability 8000 (SA8000) is a good starting point for importers that are new to compliance.

SA8000 compliance sets a strong foundation for compliance with local laws and international human rights norms. By understanding the requirements of a SA8000 social compliance audit checklist, you can prepare your supplier for an audit and be able to accurately interpret the results of an audit. The SA8000 Standard is the world's leading social certification program. It provides a holistic framework allowing organizations of all types, in any industry, and in any country to demonstrate their dedication to the fair treatment of workers. Created by SAI in 1997 as the first credible social certification, it has led the industry for over 20 years. SA8000 is available for organizations of any size, in any industry, and in nearly every country of the world.

The SA8000 Standard

The SA8000 Standard is based on internationally recognized standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws. SA8000 applies a management-systems

approach to social performance and emphasizes continual improvement—not checklist-style auditing.

Elements of the Standard

- Child Labor
- Forced or Compulsory Labor
- Health and Safety
- Freedom of Association & Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration
- Management System

SA8000 improves standards for workers and for business: Management systems, worker engagement, a culture of continuous improvement, and other elements of SA8000 not only lead to better working conditions and worker well-being, they also have benefits for productivity, stakeholder relationships, market access, and more. The SA8000 Standard is based on internationally recognized standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws. SA8000 applies a management-systems approach to social performance and emphasizes continual improvement—not checklist-style auditing

7.4 AA 1000

The AccountAbility Principles Standard (AA1000APS 2008) provides a framework for an organisation to identify, prioritise and respond to its sustainability challenges.

The AA1000 Principles

- Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.
- Materiality is determining the relevance and significance of an issue to an organisation and its stakeholders.
- Responsiveness is an organisation’s response to stakeholder issues that affect its sustainability performance. To download this standard please visit the website

Concerns from and for customers, workforce, shareholders, communities, and governments have increased the demand for transparent and socially-responsible practices and initiatives within organizations. Companies failing to consider their impact on the planet and their people will fall behind their competition as it becomes the standard and, increasingly, a requirement to do business. Suppliers, customers, stakeholders, and markets are now scoring Corporate Social Responsibility (CSR) performance, and they are looking for specific information and assurance of corporate performance. This trend has seen higher visibility as large brands and stock markets have begun using CSR as an additional basis for contracts and corporate ratings.

AA1000 Standard

"AA1000 Series of Standards are principles-based Standards and Frameworks used by a broad spectrum of organizations – global businesses, private enterprises, governments and civil societies – to demonstrate leadership and performance in accountability, responsibility, and sustainability," explains AccountAbility, creator of the AA1000 standard series. The intent of the AA1000 Standard is to assure that Sustainability is built into an organization's management system, and to validate the CSR data being reported. As the leading standard in Sustainability/CSR assurance, it is based on four principles:

- The Foundation Principle of Inclusivity
- The Principle of Materiality
- The Principle of Responsiveness
- The Principle of Impact (new for 2018)

Having guided organizations' approaches to social equality, healthy ecosystems, and good organizational governance for over two decades, AA1000 is *the* trusted standard for CSR assurance.

Achieving AA1000 Assurance

SRI can help you achieve assurance against AA1000. Clients with certified management systems can integrate the requirements into their existing system and certification timetables. The amount of time and full scope of the reporting assessment will depend on breadth of the reporting, and size of the organization, very much like traditional standards. SRI can do much of the assessment off-site though, helping clients save time and expense. Regular review and continual improvement to an organization's corporate social responsibility program will result in an organization's ability to:

- Design and implement a social responsibility strategy that drives better business decisions
- Adapt more easily to changing legal, political, and cultural conditions
- Manage through measurement your organization's impact on people and the environment
- Better engage with interested parties
- Win stakeholders and customers through trust and credibility

7.5 CODES FORMULATED BY UN GLOBAL COMPACT

The United Nations Global Compact is a strategic initiative that supports global companies that are committed to responsible business practices in the areas of human rights, labor, the environment, and corruption. This UN-led initiative promotes activities that contribute to sustainable development goals to create a better world.

- The United Nations Global Compact is an initiative that global corporations can sign on to committing to responsible business practices in the areas of human rights, labor, the environment, and corruption.

- The UN Global Compact has 10 operating principles outlining these values.

The UN Global Compact is based on 10 principles that should define a company's value system and approach to doing business. These principles were collectively founded in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. Member companies are expected to engage in specific business practices that benefit the people and the planet while pursuing profitability with integrity.

The UN Global Compact was initially launched with nine Principles. On 24 June 2004, during the first Global Compact Leaders Summit, Kofi Annan announced the addition of the tenth principle against corruption in accordance with the United Nations Convention Against Corruption adopted in 2003.

Human Rights

Businesses should:

- Principle 1: Support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Make sure that they are not complicit in human rights abuses.

Labour Standards

Businesses should uphold:

- Principle 3: the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in employment and occupation.

Environment

Businesses should:

- Principle 7: support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Companies that join the compact are expected to integrate these principles into their corporate strategies, culture, and day-to-day operations. Companies are also expected to advocate the principles publicly and

communicate with stakeholders on progress toward meeting the principles. Any company that commits to upholding the principles may join the compact, which is not legally binding and is purely voluntary.

UNITED NATIONS GLOBAL COMPACT, Launched in 2000, the UN Global Compact brings business together with UN agencies, labor, civil society and governments to advance ten universal principles in the areas of human rights, labor, environment and anti-corruption. Through the power of collective action, the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals. With over 4,100 participating companies from more than 100 countries, it is the world's largest voluntary corporate citizenship initiative.

7.6 UNDP

The United Nations Development Programme (**UNDP**) is the United Nations' global development network. It advocates for change and connects countries to knowledge, experience and resources to help people build a better life for themselves. **UNDP** works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

Role of UNDP in supporting the CSR Agency: As the key implementing agency for the **UN's** MDGs, the **UNDP** is an ideal partner to provide advisory in helping the Agency support the private sector to align their **CSR** strategy with the specific MDG targets.

UNDP has worked in India since 1951 in almost all areas of human development, from systems and institutional strengthening to inclusive growth and sustainable livelihoods, as well as sustainable energy, environment and resilience. UNDP's programmes continue to fully integrate a global vision for catalytic change with India's national priorities. With over 30 projects on the ground in almost every state, today UNDP India works to achieve the Sustainable Development Goals by transforming traditional models to do development differently. In a rapidly changing global environment, the work of UNDP and the broader UN family aligns with the Government of India's new national development vision, India 2030, and builds upon the Sustainable Development Goals. UNDP India's country programme for 2018-2022 has three major focus areas:

- Inclusive growth
- Environment and energy
- Strengthening systems and institutions

These are supported by a framework of renewed partnerships and blended finance solutions, a pool of financial and technical resources for greater impact and scale, and South-South expertise.

A partnership for sustainable development

UNDP has supported India for the last five decades, both at the federal and provincial levels, in achieving the Sustainable Development Goals (SDGs) through mainstreaming, acceleration and policy support. UNDP

supports the government to reflect the new global agenda in national development plans and policies, to accelerate progress on SDG targets, and provide expertise on sustainable development and governance to the central and state governments at all stages of implementation.

Legal framework

In 1952, the Government of India and UNDP entered into a basic agreement to govern UNDP's assistance to the Special Agreement on the Technical Assistance between UN organizations and the Government of India. In 1959, the Agreement between the UN Special Fund and the Government concerning assistance from the Special Fund was signed.

The Department of Economic Affairs, Government of India is the designated nodal department which approves and signs the Country Programme Action Plan (CPAP) with UNDP. The programme is nationally executed and implemented by a range of partners including government ministries, state governments, district authorities, civil society organizations, NGOs and other UN agencies.

2018-2022

UNDP Country Programme Document for India (2018-2022): The Country Programme Document (2018-2022), is formulated in close consultation with the Government, and guided by both the current and new UNDP strategic plans, 2014-2017, and 2018-2021. This consultation process confirmed the following UNDP priorities and defined areas of intervention. This country programme is fully integrated with the three UNDP programme outcomes and underpinned by a framework of renewed partnerships and blended finance solutions, pooling of financial and technical resources from various sources for greater development impact and scale, and draws on the best South-South expertise available.

2013-2017

India UNDAF (2013-2017) :The United Nations Development Action Framework (2013-2017), developed in partnership with the Planning Commission of India, reflects the work of all UN entities working in India. It focuses on six outcomes, in line with the fundamental principles of the Approach Paper to the 12th Five-Year Plan. These are - achieving inclusive growth, improving food and nutrition security, promoting gender equality, ensuring access to quality basic services, strengthening decentralization and delivering sustainable development.

UNDP Country Programme Document for India (2013-2017): The Country Programme Document (2013-2017), developed in consultation with the Government and key partners, builds on the United Nations Development Assistance Framework (UNDAF) 2013-2017. The programme is in harmony with the 12th Five-Year Plan of the Government of India and has benefited from wide-ranging stakeholder consultations, including within the United Nations system, and a comprehensive.

Country Programme Action Plan (2013-2017): The Government of India and UNDP have signed a new Country Programme Action Plan (CPAP) in support of the Government's efforts to promote rapid, inclusive, sustainable development that benefits the most excluded

through partnerships with Central Ministries, state governments and civil society. The CPAP (2013-2017) is based on the Country Programme Document (2013-2017) which was approved by the UNDP Executive Board in September 2012. The UNDP Country Programme, which was elaborated under the leadership of the Government and in consultation with partners, is aligned with the main aims of the Government's 12th Five-Year Plan and with the United Nations Development Action Framework (2013-2017).

2008-2012

India UNDAF (2008-2012): The India-UNDAF 2008-2012 outlines the vision, strategy and collective action of the UN system. The overarching objective of the document is to promote social, economic and political inclusion for the most disadvantaged, especially women and girls. The essence of the UN's work in India during the five-year cycle is captured in the four UNDAF outcomes that aim to contribute to- effective implementation of national flagship programmes, strengthened capacities of all governance actors for an equitable last mile delivery of public services, effective utilization of available funds in select districts, and safeguarding development gains from natural disasters and the effects of climate change.

UNDP Country Programme Document for India (2008-2012): The present Country Programme document for India (2008-2012) was formulated in partnership with the Department of Economic Affairs of the Ministry of Finance, building on the United Nations Development Assistance Framework (UNDAF) 2008-2012. The programme is in harmony with the 11th Five-Year Plan of the Government of India and has benefited from wide-ranging stakeholder consultations, including within the United Nations system, and a comprehensive review of lessons from past cooperation.

Country Programme Action Plan (2008-2012): The Country Programme Action Plan (CPAP 2008-12) between the Government of India and the United Nations Development Programme was signed on 27 February 2008, and has seven outcomes across five programme areas of Poverty reduction, Democratic Governance, Disaster Risk reduction, Energy and Environment, and HIV and development. The focus areas of the UNDP India programme are closely aligned to the UNDP Strategic Plan and the 11th Five-Year Plan of India. The CPAP is currently being implemented through 60 projects in partnership with 15 central line ministries, seven UNDAF state governments, and a number of NGOs and UN agencies.

Accountability & Transparency

Accountability is the obligation to (i) demonstrate that work has been conducted in accordance with agreed rules and standards and (ii) report fairly and accurately on performance results vis-à-vis mandated roles and/or plans. (source: UNDP Accountability Framework (PDF). UNDP is committed to independent and objective internal oversight to improve the effectiveness and efficiency of its operations. UNDP has a long-standing commitment to transparency and accountability, with country offices publishing financial, procurement and programme information on respective websites on an annual basis.

Audit & Investigations: The Office of **Audit** and **Investigations** conducts internal audits, related advisory services and investigation services. The office also has a unit dedicated to **Social and Environmental Compliance.**

Ethics: The **UNDP Ethics Office** is an independent, confidential, impartial, and professional resource for all UNDP staff and personnel, everywhere. We promote an organizational culture that places the highest value on professionalism, integrity, accountability, transparency, results orientation, and mutual respect. Our mission is to assist UNDP staff and other personnel to perform to the highest standards of integrity required by the Charter of the United Nations**.**

Evaluation: The **Independent Evaluation Office** works to enhance development effectiveness by strengthening accountability and learning through evaluation and partnership.

Information Disclosure policy: UNDP is committed to making information about its programmes and operations available to the public. Its information disclosure policy is **available here**.

Policies and procedures: Operational standards and procedural guidance on UNDP's core business processes are detailed in the **Programme and Operations Policies and Procedures** (POPP). The enhanced POPP platform is public, bringing greater transparency on how UNDP operates.

UNDP Enhancing Women's Role and Participation in Governance

To empower elected women representatives, several initiatives supported by UNDP in partnership with the Ministry of Panchayati Raj, such as trainings, workshops, exposure visits are helping women bring socio-political change in the communities.

Highlights

- Empowerment of elected women's representatives Women's empowerment through ected women Panchayat representatives through trainings, workshops exposure visits, etc.
- Training is also provided to women groups at the village-level along with women elected representatives.
- The number of women parliamentarians have gone up substantially.

7.7 GLOBAL REPORTING INITIATIVE

The **Global Reporting Initiative**'s (GRI) vision is that reporting on economic, environmental, and social performance by all organizations becomes as routine and comparable as financial reporting. GRI accomplishes this vision by developing, continually improving, and building capacity around the use of its Sustainability Reporting Framework.

An international network of thousands from business, civil society, labor, and professional institutions create the content of the Reporting Framework in a consensus-seeking process.

The Global Reporting Initiative (GRI) is an independent institution whose mission is to develop and disseminate globally applicable sustainability

reporting guidelines that help organisations to report on the economic, environmental, and social dimensions of their activities, products, and services. The aim of the GRI Guidelines is to assist reporting organisations and their stakeholders in articulating and understanding contributions of the organisation to sustainable development through their reports. GRI is now the most widely used sustainability reporting framework. There are four key elements in the framework:

- Sustainability reporting guidelines (the Guidelines) are the cornerstone of the framework. These consist of Principles for defining report content and ensuring the quality of reported information. They also include Standard Disclosures made up of performance indicators and other disclosure items, as well as guidance on specific technical topics in reporting. The third edition of the Guidelines – the G3 – were published in 2006.

- Indicator protocols exist for each of the performance indicators contained in the Guidelines. These protocols provide definitions, compilation guidance, and other information to assist report writers and to ensure consistency in the interpretation of the performance indicators. Users of the Guidelines should also use the Indicator Protocols.

- Sector supplements complement the Guidelines with interpretations and guidance on how to apply them in a given sector, and include sector-specific performance indicators. Applicable sector supplements should be used in addition to rather than in place of the Guidelines.

- Technical protocols are created to provide guidance on issues in reporting, such as setting the report boundary. They are designed to be used in conjunction with the Guidelines and sector supplements and cover issues that face most organisations during the reporting process.

Potential benefits

- The *GRI Guidelines* provide a holistic framework that addresses broad performance – social, environmental and economic – as to how an organisation is reporting to stakeholders.
- They guide an organisation's approach to 'proving' its impact.
- GRI is used widely internationally as a generally accepted reporting framework and, as such, provides a method for increased comparability.
- Organisations can use GRI reporting to help measure and benchmark performance, both against their own targets and externally. Management can use the GRI indicators to encourage employees to understand and contribute to progressively better performance.
- The Guidelines are flexible and can be used in different sectors and geographical contexts.

- The Guidelines support and integrate other tools such as Social Accounting and the AA1000 Series

Potential limitations

- Adhering to the Guidelines can be labour intensive and full reporting may represent a challenge for smaller organisations.
- Their history of use in the third sector is limited and some of the language and approaches are more familiar and appropriate for multinational corporations.
- They provide guidance, but not accreditation, a mark or external evaluation unless combined with other tools, such as an assurance standard.
- Their main focus is 'sustainability', e.g. reporting external impact but not necessarily focusing on positive outcomes or impacts.

Who can use GRI Guidelines?

The GRI Guidelines are intended to be applicable to organisations of all sizes and types operating in any sector. However, they were developed primarily with the needs of larger businesses in mind. According to GRI, the reporting framework being used by more than 1500 organisations, 'including many of the world's leading brands'.

Resources needed

Leadership: To adhere to the GRI Guidelines, an organisation will need to collect information and performance across the whole organisation and therefore it requires the leadership and commitment of management and senior staff members.

Proficiencies or skills: Skills and experience with developing reports and impact assessment or data collection would be helpful, as would experience of other social research methods.

Staff time: Significant time will be required to compile, analyse and write up information and implement action. Some flexibility exists depending on whether the organisation uses all or part of the Guidelines.

Courses, support, and information: While GRI does not currently offer training programmes related to sustainability reporting or the GRI Guidelines, a number of companies, consultancies, NGOs and other organisations worldwide do offer this type of service. GRI does not formally endorse any specific training organisation and does not provide any sort of certification related to training.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. Write about AA1000?
2. What is the UN Global Compact?
3. Define IS 14000
4. What is the role of UNDP?
5. What is the aim of GRI?

7.8 LET US SUM UP

Through the various ISO care must be taken to incorporate a plan for environmental impact and conformance. Environmental expectations (both internal and external) should be met and elements of environmental management will need to be factored into internal audit programs and training sessions. GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. GRI incorporates the active participation of representatives from business, accountancy, investment, environmental, human rights, research and labour organisations from around the world. Started in 1997, GRI became independent in 2002, and is an official collaborating centre of the UNEP. Since its inception, GRI has initiated a process of continuous improvement driven by the insights and experiences of stakeholders familiar with the GRI Guidelines and other GRI reporting framework components. The network of stakeholders is now 30,000-strong.

7.9 ANSWER TO CHECK YOUR PROGRESS

1. The Account Ability Principles Standard (AA1000APS 2008) provides a framework for an organisation to identify, prioritise and respond to its sustainability challenges.
2. The United Nations Global Compact is a strategic initiative that supports global companies that are committed to responsible business practices in the areas of human rights, labor, the environment, and corruption. This UN-led initiative promotes activities that contribute to sustainable development goals to create a better world.
3. ISO 14000 is defined as a series of international environmental management standards, guides, and technical reports.
4. ***Role of UNDP in supporting the CSR Agency:*** As the key implementing agency for the UN's MDGs, the UNDP is an ideal partner to provide advisory in helping the Agency support the private sector to align their CSR strategy with the specific MDG targets
5. The aim of the GRI Guidelines is to assist reporting organisations and their stakeholders in articulating and understanding contributions of the organisation to sustainable development through their reports.

7.10 UNIT END QUESTIONS

1. Explain ISO 14000
2. Write a note on SA 8000
3. What is AA 1000
4. Discus the principles formulated by UN global compact-
5. Write about UNDP in India
6. Give an explanation on global reporting initiative.

7.11 SUGGESTED READINGS

The A to Z of Corporate Social Responsibility, Dirk Matten, Wayne Visser, Manfred Pohl & Nick Tolhurst.

The Oxford Handbook of Corporate Social Responsibility.

Corporate Social Responsibility: Critical Perspectives on Business and Management.

BLOCK- III
IMPLEMENTING CSR, CSR IN THE ECOLOGICAL ENVIRONMENT AND TATA POWER

UNIT- VIII IMPLEMENTING CSR – CSR IN THE MARKETPLACE – CSR IN THE WORKPLACE – CSR IN THE COMMUNITY

Structure

8.1 IMPLEMENTING CSR

CSR plays an important role in overall growth and development of economy. In the present study the CSR activities performed by various companies on sector wise is to be discussed in an elaborated manner. All the sectors, in the economy, did not perform well in all the periods. Therefore, evaluating the performance of selected sectors, under different companies, will be 2 discussed in this study. Through the study, the selected companies may increase their way of spending of CSR amount by better utilization of resources to maximize benefits to the society.

India has gone one step further than other countries India's new Companies Act 2013 (Companies Act) has introduced several new provisions which change the face of Indian corporate business "Companies Act 2013 (Companies Act)" has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

In order to support companies in their efforts to assume responsibility, international organisation, governments, corporate associations and non-government organisation have developed standards, codes of conduct and labels that describe and explain the expected conduct. The OECD guidelines for multi-national companies, the United Nation Global Compact, the United Nations Guiding Principles on Business and Human Rights, ISO 26000 on social responsibility and the Global Reporting Initiative (GRI, a guideline for sustainability reporting) are widely recognized tools and guidelines.

Their implementation should cover the whole range of effects of corporate activities, including the value-added chain, and consider stakeholders' requirements. The specific conditions under which SMEs operate and the options open to them must be considered in this respect. Transparency and a readiness do engage in dialogue are at the core of CSR and contribute to its successful implementation.

The core perception of business has some social responsibilities has emerged for the past three hundred years ago from a renowned Scottish philosopher and economist, Adam Smith, in The Wealth of Nations. He describes the support for market interactions that are freely participated in by individuals and organizations, saying that they could serve the needs of the society. Further, people engage in commerce or 8 Page business out of selfish (Invisible Hand) reasons, or for their personal benefits, but in one way or other this would also benefit the society as a whole with positive or negative externalities.

In India, the term Corporate Social Responsibility (CSR) is widely being used even though related concepts and terms, such as business responsibility, sustainable development, philanthropy, sustainability, corporate citizenship, responsible business, triple bottom line, shared value, value creation, business ethics, socio-economic responsibility, bottom of pyramid, stakeholder management, corporate responsibility, and corporate social performance.

Corporate Social Responsibility in India has witnessed a surge in community spending over the last three years. The official data reveals that companies have spent nearly Rs 28,000 crore on social welfare activities.

A closer scrutiny suggests that companies have adopted different methodologies in planning and implementing CSR interventions. While most would associate themselves with not-for-profit agencies and social enterprises in implementing CSR projects, some of them have their own corporate foundations where they are either directly implementing or partnering with a local NGO.

There are other corporates (very few Indian ones) where social initiatives are in alignment with the business and therefore are being implemented by both business and CSR teams, along with other organisation.

A company’s presence in the society can take many forms including Corporate Social Responsibility, Corporate Citizenship, Corporate Philanthropy, Corporate Community Involvement, Global Citizenship etc. But Corporate Social Responsibility is usually the discretionary business practices which include contribution of resources and effort to the community. What needs to be emphasized here is the voluntary nature of such initiatives and denotes actions which go beyond the mandatory ones.

The key areas where such activities are engaged in are usually in the sectors of health, safety, education, environment, community development. The corporates engage in these usually in the form of cash contributions, grants, social marketing, sponsorships, employee volunteering or private public partnership, and schemes which may or may not be aligned with the mainstream business of the company. The trend today is towards increased reporting and visibility of these actions of corporates and establishment of norms and standards to help in the transition from doing good being an obligation to doing it as a business 66 strategy. In addition to increased

giving many company websites are also displaying sections of reports on Corporate Social Responsibility which may be labeled differently. Many of these provide information on their philanthropic activities, initiatives and sustainability measures.

CSR has become an effective tool to work in the line of Sustainable Development Goals (SDGs) with a strong focus on social performance indicated in the CSR projects of the organizations. The SDGs, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Most of the businesses consider community as one of its apex stakeholders and believes in inclusive growth. This year most of the organizations continued its CSR initiatives in the realm of Education, Health, Livelihood, Rural Development and Social Entrepreneurship.

Organization’s diverse projects and operations touch lives of people in many ways and create value by helping in overall and holistic development of communities within multiple geographies. Through its various initiatives, Companies endeavor to play a relevant role by serving communities and projects that address gaps in basic societal requirements.

Section 135 of the Companies Act 2013 provides the threshold limit for applicability of the CSR to a Company: (a) net worth of the company to be Rs 500 crore or more; or (b) turnover of the company to be Rs 1000 crore or more; or (c) net profit of the company to be Rs 5 crore or more. Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.

Every qualifying company requires spending of at least 2% of its average net profit (Profit before taxes) for the immediately preceding 3 financial years on CSR activities in India. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.

8.2 CSR IN MARKER PLACE

Corporate responsibility goes hand in hand with socially responsible practices. For example, administrators, executives, and shareholders and stakeholders must practice ethical behaviors and join the community in promoting responsible marketing efforts. Putting on appearances or green was, the practice of promoting deceptively environmentally friendly processes or products indicates to customers that the company is not committed to social responsibility; such behaviors can ultimately hurt the brand and the company's success. Consumers often can see through gimmicks, slogans, or efforts that are not genuine or ineffectual. In fact, 65% of the Cone study respondents say they'll research a company's stand on an issue.

Recyclable packaging, promotions that spread awareness of societal issues and problems, and directing portions of profits toward charitable efforts

are examples of social responsibility marketing strategies. For example, a clothing company's marketing team may launch a campaign that encourages consumers to buy a bundle of socks versus one pair; for every bundle sold, the company donates a bundle of socks to military personnel overseas or to local homeless shelters. As a result of these donations, the company brands itself as socially responsible and ethical, which ultimately attracts customers who are engaged in socially responsible commitments and who want to support the welfare of the community.

Corporate responsibility goes hand in hand with socially responsible practices. For example, administrators, executives, and shareholders and stakeholders must practice ethical behaviors and join the community in promoting responsible marketing efforts. Putting on appearances or greenwashing, the practice of promoting deceptively environmentally friendly processes or products indicates to customers that the company is not committed to social responsibility; such behaviors can ultimately hurt the brand and the company's success. Consumers often can see through gimmicks, slogans, or efforts that are not genuine or ineffectual. In fact, 65% of the Cone study respondents say they'll research a company's stand on an issue, to see if it's being authentic.

In recent years, the debate on CSR has attracted much interest. Several companies want to include social objectives into their economic objectives, and thereby integrate respect for certain values and principles in their management to contribute to environmental and social progress. Even though the issue of CSR and its strategy is a subject of recent debate among the scientific community manager, however, few studies have attempted to demonstrate the existence of a link between the social and environmental commitments, and the enterprise's strategy. Our main concern is to measure the impact of the integration of CSR issues on the enterprise's strategy. The strategy can be seen in its first gasoline as a long-term planning act, based on a set of assumptions. It assesses how changes might develop in the near future, to anticipate and design a series of actions. The strategy corresponds to a distribution of the organization's resources over the long term in order to gain competitive advantage. Several policy options may be available to the enterprise. In this study, we will limit ourselves to the differentiation strategy which is a "Product" policy whereby an enterprise distinguishes itself from its competitors by offering a specific offer.

The shift from charity to strategy can be seen in the recent years. Earlier the philanthropy of companies was demonstrated by them by giving to as many social causes as possible or to those causes which the management believed in rather than those associated with their line of business. These avenues usually were limited to those which were either most visible or most trendy. There was usually a tendency to avoid issues which might be seen as self-serving or controversial. In fact, even today, the majority of organizations skirt problem areas. It has been seen that corporates pick initiatives which have a relation to their business goals directly or indirectly and incidentally reaping the benefits of such involvement whether it is stated expressly or not. The various forms of such strategic philanthropy can be seen in employee volunteering, integration of issues in marketing, corporate communication, community relations, etc.

While it was widely held in previous decades that companies should only focus on their bottom lines, the past decade has seen a change in this

thinking. In fact, 66 percent of online consumers said they would pay more for products or services from companies that are socially and environmentally responsible, according to a 2015 Nielsen Survey. That same survey also found that consumer-goods' brands with a commitment to sustainability outperform those that don't.

Besides the potential loss of socially conscious consumers, CSR impacts a business' ability to attract top talent and affects employees' job satisfaction levels and retention rates. The next generation of workers currently entering the workforce seek out employers with a clear and effective CSR strategy. Quality talent in 2016 wants to be employed by a transparent company with the goal of doing good, while also making a profit. Businesses that don't prioritize a corporate social responsibility strategy risk losing top talent to companies that are doing so.

Additionally, businesses that practice CSR have happier and more satisfied employees. This is because employees feel working for a socially conscious employer gives them a sense of purpose. Also, businesses practicing corporate social responsibility tend to invest more in their employees and work harder to create a workplace that employees enjoy returning to each day. Given that the current average in the U.S. for employee tenure is 4.2 years, implementing an expansive and effective CSR strategy can help employers retain their current employees for longer.

The rise of social media has also impacted the importance of corporate social responsibility. Today, companies with unethical business practices are exposed harshly on social media and can have their reputation damaged greatly in a matter of a few hours. Alternatively, social media also works as a tool to highlight companies implementing CSR or those with ethical business practices, which can lead to increased sales, a larger audience reach, and free positive publicity.

Each corporation defines CSR according to the values of its leaders and according to its corporate culture. Whether it is the issue of global warming, the issue of transparency, and the issue of retrenchments or with the client confidentiality issue, companies define CSR in very different ways, introducing strategic perspective and action. Some corporations exhibit transparency by making public the compensation packages of the top team. Others have a different concept of CSR and need for transparency. Corporations demonstrate their CSR in the way they manage priorities among stakeholders, they handle conflicts of interest or the importance they give to the local community. In consulting and financial services, the way tightness of confidentiality and integrity is managed, illustrates how the concept of responsibility toward stakeholders is internalized.

In recent years, increasing attention has been given to the concept of Corporate Social Responsibility (CSR), defined in terms of the responsiveness of businesses to stakeholders' legal, ethical, social and environmental expectations. CSR has generally been a pragmatic response to consumer and civil society pressures. These have mainly been focused on trans-national corporations (TNCs) serving markets in the North, but often operating in countries in the South. Accusations by governments and civil society of environmental pollution, human rights abuses and exploitation of labor in supply chains, have pressured companies to become more environmentally and socially responsible. However, the business community has also quickly recognized the strategic value of

being more responsible and is beginning to align products and business relationships, in particular through their supply chains, accordingly.

Ensuring that CSR supports, and does not undermine, the development of small and medium-sized enterprises (SMEs) in developing countries is crucial to meeting the goal of improving the impact of business on society. SMEs make up more than 90% of all businesses worldwide and are essential to the 'path out of poverty' for many developing countries. If CSR demands are protectionist, culturally inappropriate or unreasonably bureaucratic the net effect will be to undermine livelihoods in the South. On the other hand, the SME sector must not be allowed to become a loophole in which polluting, exploitative industries flourish.

Support for SME development can be an important part of the CSR commitment of large companies in the context of responsible supply chain management, and improvements in social and environmental impacts can go hand-in-hand with better quality and management.

In today's market, the competition is very high and business success is dependent upon its relationship with the customers; without customers companies cannot survive. Therefore, it is important to build a strong, positive image and reputation which can lead to higher customer value. For long term success, it is essential for every company to have loyal customers, which do not shift to the competition even if this is offering better prices. Nowadays, companies are facing increasing pressure to maintain profitability and, at the same time, to behave in socially responsible ways. The shift of businesses' approach from profit orientation towards ethical, social and environmental issues is resulting from the shift of consumers' attitudes towards these issues.

Marketing is vital to the success of a business organisation. Corporate organizations, be it service-oriented or product-oriented, must design appropriate strategies to market their products and services. Successful marketing results in stronger products, happier and loyal customers and bigger profit. There are certain skills demanded of marketing professionals in a dynamic marketing environment. Such skills are in areas such as selling and sales management, collection of payments, advertising (creative ways with less expenditure), sales promotion (good communication skill), publicity, public relations, exhibitions and other event management, packaging and branding, corporate identity and image, marketing research and encouragement. Incorporating best practices of CSR in marketing strategies is vital to the success of a business organization and its existence in an environment. The relationship between marketing and the corporate social responsibility has been studied for decades with outcomes being influenced by the prevailing economic paradigm at a specific point in time (Moir 2001). The influence of marketing activities in our business environment and its duties towards society as it relates to CSR is widely acknowledged.

When companies take it upon themselves to integrate practices into their business model that are beneficial to social, economic, or environmental factors. These practices place value behind the products or services that they offer while building credibility and loyalty with consumers. Furthermore, many businesses take CSR one step further and encourage their employees to participate in their efforts and causes.

From a marketing perspective, businesses can also benefit financially from adopting. Consumers are, more often than not, actually willing to pay more a good or service if the company's values align with their own. If they know that they are helping to make a difference for a cause that they care about, whether locally or globally, the price matters less than the moral justification.

8.3 CSR IN WORK PLACE

From going green to volunteering, or taking part in charity initiatives, most organisation have touched on corporate social responsibility (CSR) activity at one time or another. However, a common misperception about such activity exists. Many HR professionals perceive CSR as an optional 'add on' to their day to day job, undervaluing its significant impact on stakeholders, wider society and the organisation in its entirety.

Attracting fresh talent

As the talent pool continues to become more diverse, the modern workplace is exposed to an array of employee needs, values and desires. Many prospective staff are yearning for personal fulfilment from the ability to make a positive stamp on the world around them.

HR professionals must consider how they can align the organization's CSR strategies with the core values of the prospective staff they wish to attract. This will become even more important in years to come, as millennials, who have proven to be more willing to work at an organisation that embraces a responsible operating model and culture, will constitute half of the workforce in fifteen years' time.

Employee retention

In addition to considering the requirements of prospective staff, successful organizations will look to involve existing employees in the CSR decision making process. By doing so, employees will feel personally empowered by 'giving back' and working together to make a positive difference to society.

Recently, we have seen organizations such as The Walt Disney Company introduce strategies that focus on staff involvement. Their 'green standard' was created with the aim of engaging and encouraging employees to reduce their environmental footprint both inside and outside of the workplace. With more than 60,000 staff contributing to the activity, the positive outcome was extensive.

Here at ADP UK, we have introduced similar strategies that encourage employees to come together and contribute to our local community. Our employees can put forward different CSR initiatives and join a dedicated committee, enabling them to feel part of an organisation that values 'giving back' as a core part of the company mission. With studies showing that over half of workers say they desire a job where they can make an impact, involving your employees in CSR can only positively affect their decision to stay on at the organisation.

Sustainable business

Being a 'good corporate citizen' means more than purely hitting financial targets and complying with regulation. Respecting and making a positive impact on the wider community is key. From providing jobs and ensuring employee wellbeing to developing a responsible supply chain, there are a

number of ways organizations can strive towards a more sustainable business model.

But how can business leaders and HR professionals mirror such practices in their work? For example, IBM's 'innovation jam', which encourages individuals across the globe to discover new solutions to long-standing sustainability problems, has been a hugely successful initiative. This form of collaborative innovation can also be used by SMEs, as it utilizes employees' knowledge to discover ways to resolve sustainability issues.

Engaging employees in ways to increase sustainability will not only provide a wealth of ideas that could be particularly effective to the organisation but will also increase employees' knowledge about sustainable practice. Incorporating this into their working life, they will naturally contribute to a business model that positively impacts the society, and encourages business success, now and into the future.

Next-generation organizations will embrace their 'higher purpose' as a natural part of the business model, and corporate responsibility will no longer be seen as a separate concept. Existing and potential employee values are rapidly changing, along with business models and the need to strive for sustainability. In order to appease existing and potential staff, as well as contribute to greater business success, HR professionals should look into incorporating a more holistic view of their strategies and reap in the many benefits CSR provides both in the business and the wider community.

- **Better company image and customer loyalty** – Corporate social responsibility schemes not only increase a brand's recognition, they moreover contribute to a better public image. It makes sense that consumers want to shop with companies that care about causes and have a sense of social responsibility. Companies that appreciate and respect consumers are favored, encouraging customer loyalty. Consumers want to be appreciated and support businesses that are ethical.
- **Identifying areas for improvement** – CSR efforts often lead to businesses reviewing and evaluating their current processes, with many leading to the discovery of ways that the business could be improved. For example, in 2010 PepsiCo found energy saving opportunities worth $60m as part of an energy assessment programme it carried out.
- **Increased employee engagement and satisfaction** – Naturally, employees want to work for a company involved in positive initiatives and with a strong public image. CSR schemes create a sense of community and bonding amongst employees, engaging them and encouraging positive relations. When stakeholders like employees, customers and even suppliers can have a strong input to areas of impact, CSR becomes a truly powerful influence.
- **Attracts talent and investors** – Companies that demonstrate a dedication to improving communities through CSR programmes are much more likely to attract valuable and engaged employees.

Besides encouraging companies to re-evaluate their business plans to become more ethical and conscious of their impact on society, corporate social responsibility has a number of other benefits. Whilst costs

associated with CSR might see inhibiting initially, many of them reap valuable long-term benefits.

Though some MNCs and foreign companies indicate the annual expense thereon, Indian companies usually are reticent on sharing such information on the public domain. A means of understanding the company's seriousness of intent is in verifying whether the information provided is aligned to the company’s vision and mission and whether there is a strategy for implementing it. The shift from charity to strategy can be seen in the recent years. Earlier the philanthropy of companies was demonstrated by them by giving to as many social causes as possible or to those causes which the management believed in rather than those associated with their line of business. These avenues usually were limited to those which were either most visible or most trendy. There was usually a tendency to avoid issues which might be seen as self- serving or controversial.

Corporations can leverage corporate volunteerism by encouraging their employees to volunteer. Many companies allocate hours to go toward volunteering during the workday, and many more encourage involvement by offering volunteer grants to the nonprofits where their employees volunteer.

Social Responsibility is a concept that implies that any individual or organization has an obligation towards society at large, to perform so as to maintain a balance between economy and ecosystems.

Today, any corporate knows already the importance of investing in such issues that even though it has no direct impact on profit margins, they will demonstrate to customers and the world that they simply care.

Such practices can have greater impact on building a company’s trustworthiness in any kind of business it is in. Customers are looking for more than quality in products or services. A study by cone communications has shown that 9 out of 10 customers expect companies to do more than make profit — they should also operate responsibly to address social and environmental issues. The same percentage would boycott a company if they learned of irresponsible or deceptive business practices.

While corporate philanthropy (generosity motivated purely to make the company look good or to create the right spin) for its own sake has its place, a well-defined and effective CSR campaign identifies and addresses issues that impact on both the company and the wider community.

Developing a strategic approach to employing people with disability, under the banner of Corporate Social Responsibility, makes good business sense. People with disability have valuable skills to offer organisation and show commitment and loyalty that is unsurpassed. The employment of people with disability has the power to improve staff morale, as well as improve customer loyalty and enhance the reputation of an organisation.

Almost four million Australians have a disability, and people with disability represent 16.6% of Australia’s working age population. People with disability are consumers, investors and decision makers. Employing people with disability ensures a diverse workforce, which reflects the diversity of customers and the community, in turn generating a more favorable opinion of the organisation. A diverse workforce can help an

organisation to be better equipped to understand their customers and meet their needs.

The establishment of a CSR strategy (sometimes referred to as a sustainability strategy) is a crucial component of a company's competiveness and something that should be led by the firm itself. This means having policies and procedures in place which integrate social, environmental, ethical, human rights or consumer concerns into business operations and core strategy – all in close collaboration with stakeholders.

For companies, the overall aim is to achieve a positive impact on society as a whole while maximizing the creation of shared value for the owners of the business, its employees, shareholders and stakeholders. Not so long ago, the European Commission defined CSR as "the responsibility of enterprises for their impacts on society", a succinct and distinct summation for sure.

A CSR program that is built on the back of a shared experience—wherein there has been the opportunity to engage with a charity beyond a monetary transaction—is likely to return business benefits such as improved morale, increased staff retention, status as an employer of choice, attracting new business, and differentiation from competitors. These benefits are seldom achieved through the donation of money and money alone.

Being a good corporate citizen means that companies have to be internally well governed and externally responsible. In other words, CSR and corporate governance are two sides of the same coin. The implication here is that unless corporates practice good governance they are unlikely to have a social conscience and hence the first step towards CSR is through practicing the art of effective corporate governance.

Socially responsible companies tend to attract employees who are eager to make a difference in the world—in addition to simply collecting a paycheck. With large companies, there is strength in numbers, where collective employee efforts can achieve substantial results, which increases workplace morale and boosts productivity.

Community-oriented companies often enjoy a leg up on their competition, as well, thanks to superior brand imaging. For example, Tesla CEO Elon Musk has successfully attracted environmentally-minded consumers, with his line of cutting-edge electric-powered cars and green automotive products.

Throughout the last few years, there have been greater demands for companies to increase employee engagement by reinventing corporate social responsibility strategies (CSR). One study found C-Suite executives leading companies to increase their CSR spending by 75 percent compared to five years ago, indicating companies are no longer afraid to take a stance and support initiatives they are passionate about. Unsurprisingly, this impacts people's choice of employment. Another CSR study found 78 percent of respondents wanting to work at companies that address important issues and 87 percent of people are more willing to purchase from companies that advocate for issues they also care about. Knowing this, companies should use CSR initiatives in ways that make employees feel connected and engaged and further improve company culture in the long-term.

This kind of socially responsible program is a win-win for every party involved. Employees of corporations are seen volunteering and donating their time to important causes in the community, and nonprofits are receiving free time and volunteer work, which is essential for the success of so many nonprofits.

Part of being socially responsible for a corporation means participating in ethical labor practices. These practices can include:

Offering more competitive salaries to employees

Offering more competitive compensation packages

Providing generous parental leave

Offering tuition reimbursement

Following ethical labor practices reflects well on companies and causes more individuals to want to work with them.

8.4 CSR IN THE COMMUNITY

First of all, community is generally defined as a group of people sharing a common purpose, who are interdependent for the fulfillment of certain needs, who live in close proximity and interact on a regular basis. There are shared expectations for all members of the group and responsibility taken from those expectations. The group is respectful and considerate of the individuality of other persons within the community. In a community there is a sense of community which is defined as the feelings of cooperation, of commitment to the group welfare, of willingness to communicate openly, and of responsibility to and for others as well as to one's self. Most important there exists community leaders who are responsible for the success of any community event, depending on the needs of the community, and the individual's own feelings. The community leaders are individuals who strive to influence others to take responsibility for their actions, their achievements, and the community welfare.

The Social responsibilities of corporate companies are known as Corporate Social Responsibility. It is a duty of the corporate body to protect the interest of the society as well as the environment. We know the main motive of business is to earn the money, corporations should take initiative for the welfare of the society and should perform their activities within the framework of environmental and community norms.

According to Lord Holmes and Richard Watts "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Corporate companies are part of society and their business activities affect directly or indirectly to the society. So, the companies should provide goods and services legally, efficiently and profitably to the society. It is also the newest management strategies where companies try to create a positive impact on society while doing business.

Most of the consumers expect from companies to not only make a profit but also operate responsibly to address social and environmental issues according to a study of Cone Communications.

Corporates also practice social responsibility by donating to national and local charities which can be beneficial to the society. They have lots of resources that can benefit the local community. Attending volunteer events says a lot about a company's sincerity and social responsibility. By doing good deeds without expecting anything in return, companies are able to express any concern for their issues and support for certain organization.

The issue of corporate social responsibility (CSR) has been debated since the 1950s. Latest analyses by Secchi (2007) and Lee (2008) reported that the definition of CSR has been changing in meaning and practice. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on business-society relations particularly referring to the contribution that a corporation or firm provided for solving social problems. In the early twentieth century, social performance was tied up with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e. economize the use of resources under the name of efficient resource mobilization and usage. By doing so, business creates wealth in society and provides better standards of living.

The three theories of CSR namely utilitarian, managerial and relational in terms of their meaning and practical emphases. The role of CSR in community development based on an international perspective due to the heterogeneity of CSR in its understanding and practices in various countries of the world. The organization of the article is as follows: First, theories of CSR are analyzed in order to look at their emphases of meaning, perspective, and approaches. Second, the roles of CSR are highlighted specifically in community development because the very logic of CSR is towards seeing its impact in community socially, environmentally and economically. Third, competencies required by CSR managers are discussed in order to have a better understanding of the practical aspects of CSR. Finally, conclusions and implications for future research are drawn.

Community development (CD) refers to initiatives undertaken by community with partnership with external organizations or corporation to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities. These skills are often concentrated around making use of local resources and building political power through the formation of large social groups working for a common agenda. Community developers must understand both how to work with individuals and how to affect communities 'positions within the context of larger social institutions.

CD is the combined processes, programs, strategies, and activities that make a community sustainable as compared to economic development which is the marketing of its potential for growth followed by local efforts to act on opportunities. The entire set of approaches to community development practice may be considered a specialized form addressing, coordinating and building the social infrastructure at a location. CD may be defined as a process of challenging the undesirable and unacceptable disparity of conditions and infrastructure that negatively affect the quality of life in a place where people live and work. It functions best as process in locations where all strata of society and citizenry are engaged with sense of community solidarity.

The widely used meaning of CD is the one given by the United Nations (United Nations, 1971) in which CD is an organized effort of individuals in a community conducted in such a way to help solve community problems with a minimum help from external organizations. External organizations include government and non-government organizations, and corporations of various types and sizes such as small and medium enterprises (SMEs) and multinational corporations (MNCs). The implication of UN’s definition of CD is, therefore, emphasizing creativity and self-reliance in the community for short- and long-term goals, but not to defy the CSR roles of the various types of business firms. In relation to the people, the definition of CD is essentially both an educational and organizational process. Another term closely related to CD is community work, which is about the active involvement of people in the issues that affect their lives and focuses on the relation between individuals and groups and the institutions which shape their everyday experience.

It is a developmental process that is both a collective and individual experience. It is based on a commitment to equal partnership between all those involved to enable a sharing of skills, awareness, knowledge and experience in order to bring about change. It takes place in both neighborhoods and communities of interest, whenever people come together to identify what is relevant to them and act on issues of common concern. The key purpose is to work with communities experiencing disadvantage, to enable them to collectively identify needs and rights, clarify objectives and take action to meet these within a democratic framework which respects the needs and rights of others. Community work recognizes the need to celebrate diversity and appreciate differences among ethnic and social groups in the community.

A CSR program helps in data gathering for other public organization function. For instance, in the United States, Intel and IBM (examples of mega ICT firms) assisted under-staffed police departments with information gathering and processing by installing cameras with video processing abilities in areas where there are high rates of crimes. Intel has also conducted initiatives to educate local communities on how they can use technology to prevent crime or at least to use it to detect who committed the crime. This is an example of technology companies implement CSR initiatives that both benefit community and support business objectives.

Closer ties between corporations and community. Through CSR the existence of corporations in the social system is felt beyond a perception that corporation is a place just to get employment and producers of goods and services. By doing so, corporations and community would stay in peace and harmony. This becomes a social capital that is essential in community development.

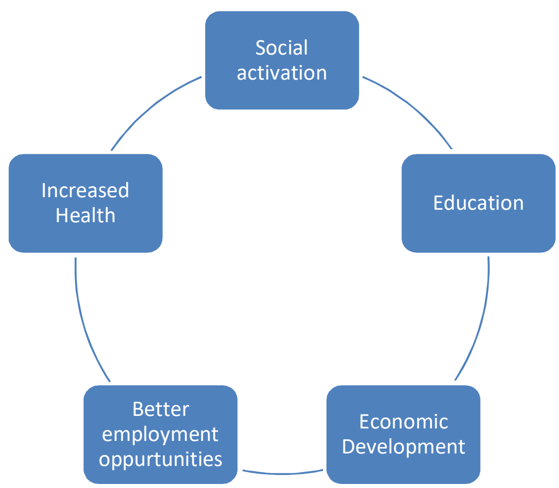
Helping to get talents. Organizations with a reputation for CSR can take advantage of their status and strengthen their appeal as an attractive employer by making their commitment part of their value proposition for potential candidates. It is also found that when employees view their organization's commitment to socially responsible behavior more favorably, they also tend to have more positive attitudes in other areas that correlate with better performance. They believe their organizations recognize and reward great customer service, act quickly to address and

resolve customer concerns, and are led by people in senior management who act in the best interest of customers.

The success of CSR is determined by both internal and external factors. Internal factors are economic considerations, culture of the firm including the CEO and employees, and ethical influences; while external factors are compliance with legal requirements and technological influences as well as national culture. Skills possessed by CSR managers are among the internal factors determining the success of CSR practices especially in helping community. Because CSR profession is so new, transferable skills and knowledge from other related specialization such as environmental management, business ethics, community development, and human resource development are valuable.

CSR organizations in many developing countries including Malaysia consist of local and international firms. As such, this analysis suggests that comparative studies should be conducted on the differences between strategies adopted by the two firms in terms of emphases and orientations in CSR, the specific roles of CSR programs to community and society at large, and specific business, people as well as technical skills that the CSR managers should possess. It is also suggested that studies on how CSR firms strive during the present economic crisis are worthwhile to embark on; however, they should be aware of the fact that moving towards achieving firms' economic goals should be without jeopardizing the social goals.

Below diagram indicates some of the benefits of CSR at the community level.



Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What is the purpose of implementing CSR?
2. What do you mean by implementation of CSR in work place refer too?
3. How do the employees benefit through the CSR initiatives?
4. How effective is CSR at the community level?

8.6 LET US SUM UP

In order to support companies in their efforts to assume responsibility, international organisation, governments, corporate associations and non-government organisation have developed standards, codes of conduct and labels that describe and explain the expected conduct. The OECD guidelines for multi-national companies, the United Nation Global Compact, the United Nations Guiding Principles on Business and Human Rights, ISO 26000 on social responsibility and the Global Reporting Initiative (GRI, a guideline for sustainability reporting) are widely recognized tools and guidelines. The Implementation of the CSR is an initiative that each and every corporate companies should contribute at various levels for the social interest and for the welfare of the people.

8.7 ANSWER TO CHECK YOUR PROGRESS

1. The purpose of corporate social responsibility is to give back to the community, take part in philanthropic causes, and provide positive social value. Businesses are increasingly turning to CSR to make a difference and build a positive brand around their company.
2. The role of CSR at the work place implements on the social welfare benefits and in bringing out a safe and a happy work place for its employees in bringing up on the understanding.
3. Employees feel a strong sense of purpose when the work they are doing is impactful, which suggests that CSR programs help engage employees and reduce the feeling of stress and fatigue that comes with meaningless work. When employees are engaged in the work they are doing.
4. It helps in community in a part wise and a slow development but enriching the livelihood aspects of many individuals and groups in terms of health, education, welfare etc.

8.8 UNIT END QUESTIONS

1. Discuss the roles of Corporate companies in implementing CSR?
2. Explain the policies and the procedures to be adopted for the implementation of CSR at various levels?
3. Discuss the successful impacts of various CSR projects at the Community level?
4. What are benefits of CSR to the community?

8.9 SUGGESTED READINGS

Corporate Social Responsibility in India, Nayan Mitra and Rene Schmidpeter by Springer International Publishing.

https://www.pdcnet.org/iabsproc/content/iabsproc_2014_0025_0082_0090

(Michael Hopkins, 2017) CSR and Sustainability from the Margins to the Main stream: A Text book.

The Triple Bottom Line Andrew Savitz,2006 published by Cookbook.

https://www.mondaq.com/india/directors-and-officers/757220/india39s-corporate-social-responsibility-norms--what39s-next

https://www.thegivingmachine.co.uk/corporate-social-responsibility-simple-guide/

UNIT- IX CSR IN THE ECOLOGICAL ENVIRONMENT – CASE STUDIES: LIFEBUOY SOAPS "SWASTHYA CHETNA, IT'S E-CHOUPAL VENTURE, TITAN INDUSTRIES LIMITED

Structure

9.1 CSR IN THE ECOLOGICAL ENVIRONMENT

The Environmental responsibility means understanding the unity of economical, ecological and social spaces by the state subjects, conscious performing their duties in front of consumers, society and the state. In the phenomenon of ecological responsibility dominates the moral and ethical component which must be confirmed by the legal responsibility. Corporate responsibility is a voluntary work of a private or public sector, aimed at maintaining high standards of social work, standards of personnel, minimizing the harmful effect on the environment, creating trusting relationships between partners and suppliers, society and the state, improving production efficiency and characteristics of profitability in a long-run period. The main elements of ecologically responsible enterprise are: implementation of corporate ecological policy, ecological audit, involving employees in ecological initiatives, ecological certification, production of high-quality ecologically friendly goods, constant ecological monitoring of its work, prefacing industrial innovations.

Ecological environment; It is a branch of science that examines living things' interests with the environment separately and in full, instead of examining them at the same time. Ecology, which examines the positive and negative effects of living things on the environment they live in, aims to minimize environmental problems and sustain the sustainability of life.

In order to invite the creatures to be more sensitive to the ecological environment and to raise awareness, there are many studies that recall nature and cleanliness such as green environment, green world and green label. At the same time, many scientists and especially European Union countries There is a lot of work on this issue. Social responsibility should not come to harm the environment in which you live.

This is a visible fact that cannot be denied. Both for your own quality of life and for the continuity of the next generations, everyone should show the necessary sensitivity. A study at the University of North Carolina in the United States, found in some shampoos "Dietanolamine-DEA mad

substance, the brain cells killed cells in the Sea of Marmara in 1978 126 varieties today, this number has decreased to 25. Until 2050, it is estimated that 98% of marine organisms will disappear.

The balance is rapidly deteriorating. The effects are seen in all living things. The greatest impact of the deterioration of the natural balance depends on many reasons such as chemicals, rapid energy consumption, destruction of natural resources, and the existence of irreversible wastes. Nature has an order in itself. For example, it is known that living creatures survive on condition that they eat one another.

From the perspective of eco-certificated agricultural production there are three determining criteria of the corporate ecological and social responsibility ecological, energy and raw material and social.

There is also one concept that has a more global reach: it is called industrial ecology. Based on a more systemic approach, industrial ecology draws inspiration from the way in which natural ecosystems function.

It recreates, on the scale of an industrial system, an organization that seeks optimal management of resources, as well as a high rate of recycling of both materials and energy. Industrial ecology is a new practice in environmental management. It tends to integrate the environment into corporate strategy thanks to performance data and life-cycle assessments, among other things. Industrial ecology seeks optimization at the level of groupings of companies.

The strategies employed include the valorization and/or exchange of industrial residues (residues from one company may represent raw materials for another); shared services or perhaps collective management of waste; recycling or rainwater, shared equipment or resources.

The ecological responsibility of the commercial companies implies the integration of the environment protection requirements into the commercial activity. It is considered that a commercial company performing their activities in the light of the sustainable development must have a long-term approach and perspective, without neglecting the opportunities occurring at different times. Real value can be created today, which will sustainably support the development of the business tomorrow.

The European Union, in an attempt to offer a framework for companies wishing to invest in sustainable development, published in 2001 a Green Paper on Corporate Social Responsibility defining CSR as:

"The voluntary integration of companies' social and ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal obligations but also going beyond and investing 'more' in human capital, the environment, and stakeholder relations."

The International Organization for Standardization (ISO) is an international standard-setting body that also addressed the definition of CSR through its ISO 2600 Standards on CSR. In these guidelines, ISO defines CSR as:

"The responsibility of an organization for the impacts of its decisions and activities on society and the environment, resulting in ethical behavior and transparency which contributes to sustainable development, including the health and well-being of society; takes into account the expectations of

stakeholders; complies with current laws and is consistent with international standards of behavior; and is integrated throughout the organization and implemented in its relations."

CSR is definitely based on a sustainability mindset. Yet, it is especially based on what companies can do to help reach a sustainable development path. However, there are other circumstances under which we can act in a sustainable way – from the way people use technology to the food they eat, the transportation means they use or the way they commute. The clothes people buy, how they organize their houses and their consumption is also related to sustainable and responsible behaviors.

The idea that companies must do CSR and play an active role in the sustainable development fight has its roots in the work of some American managers in the 1950s. What was their idea? They thought that if companies no longer focused only on their profits but also on the impact they have on society and the environment, they'd have other kinds of benefits.

For example, if a company pays its employees better, it may spend more on paying for salaries but on the other hand its workers purchasing power increases and so do the chances that they buy the company's products. As well, if a company better manages its environmental impacts, it will save money in the short term by avoiding fines and in the long term by bypassing the necessity to manage natural disasters.

In 1953, Howard Bowen published a book entitled "The Social Responsibility of the Businessman" in which he explains why companies should be interested in being more socially and environmentally accountable and gave the first "recognized" definition of CSR.

Moreover, with the development of environmental concerns in addition to economic and social issues in the second half of the 20th century, corporate (social) responsibility became a growing issue. More and more consumers started becoming critical of companies and wanted them to be more respectful of the laws, the environment, and more responsible in general.

In the 1990s and 2000s, governments in several countries around the world started putting in place regulations that created the foundations for modern CSR. In France, NRE laws were the first to force companies to communicate their performance in terms of sustainable development. These laws were then followed by various regulations such as the Grenelle Laws or the Laws of Vigilance.

Afterward, companies started becoming aware of the need of starting to invest in CSR so that they didn't stay behind their competitors. At this point, CSR started to be seen and used as a tool for management, communication, and business development. CSR became also essential in improving corporate image among consumers, enhancing internal communication and productivity and was a way of reducing costs by turning organizations more efficient when it comes to managing energy and resources.

9.2 CASE STUDIES

9.2.1 Lifebuoy Soaps "Swathya Chetna"

Hindustan Unilever limited is an Indian Consumer brand company which is based in Mumbai, Maharashtra. Earlier Hindustan unilever was known

as Hindustan lever limited. The company changed its name in the year 2007.Present Chairman Harish Manwani.

The Company started producing the sunlight soap in the year 1888, in the year 1895 the lifebuoy soap was launched, and the Lever brothers appoints agents in Mumbai, Chennai, Kolkata and Chennai. In the year 1930 the Unilever was formed and Margarine Unie.

In the year 2001 with the goals of improving hygiene, fighting disease and generating rural incomes for small communities, Project shakti is launched as a pilot in Andhra Pradesh. In the year 2002 Yashodadham a village was reconstructed in the kutch district of Gujarat was dedicated to 1100 residents who lost their jobs due to a devastating earthquake.

In the year 2005 a managing committee was formed, and their organizational structure was also simplified and then in the year 2007 the name was formally changed to Hindustan unilever limited. As a part of CSR, HUL has initiatives like project Shakti, plastic recycling, women empowerment etc.….

Swasthya Chetna which means ‘Health awakening, is a multi-phased activity that works towards the effective hand washing behavior change in rural communities. The main message of the campaign is “Visibly clean is not really clean”.

HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond’s, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall’s and Pureit.

“Lifebuoy, an undisputed market leader for 117 years, has a compelling vision “to make 5 billion people across the world, feel safe and secure by meeting their personal care hygiene & health needs”.

Lifebuoy has always been marketed as ‘a tough cleaning soap for a tough man.’ (Of course, the 2002 re-launch targeted Lifebuoy as a soap that brought good health to the entire family). Lifebuoy has been seen as a value for-money product, a soap that is long-lasting. In a very smart TV ad campaign, children are shown cleaning a street. The message put across is that since these children are secure from ailments that are caused by a lack of proper sanitation and hygiene, thanks to the fact that they use Lifebuoy, they are in a position to ensure cleanliness and hygiene for the entire community. Thus, Lifebuoy not only ensures good health and cleanliness for individuals, but healthy and productive communities as well.

The ‘Lifebuoy Swasthya Chetana’ programme uses a ‘direct consumer contact methodology and touches the lives of 70 million people in 18,000 villages. A unique feature of this campaign is that it utilizes multiple contacts, as opposed to other programmes which are single contact’ in

nature. Gushes the HLL spokesman, “This programme aims to educate people about the benefits of hand wash with soap, and how hand wash can help kill invisible, disease causing germs. It is thus a marketing programme with a strong social cause of improving the health and hygiene of rural India.

Lifebuoy's “Swasthya Chetna” (LSC) was a five-year health and hygiene education program initiated by Hindustan Lever Limited (HLL), the Indian arm of the fast-moving consumer goods (FMCG) major, Unilever. The program was formally launched in 2002, in eight states across India.

It has also planned its strategy like even in some of the smallest shops in the villages across India the customers must find its product and also appointed 6000 sub-stockists. As a result, the distribution network directly covers about 50,000 villages and reaching about 250 million consumers. By the Swasthya Chetna project company has already covered greater percentage of villages and is being progressively extended.

The objective of this program was to educate around 200 million people in rural and urban areas about the importance of adopting good 'health and hygiene ‘practices. The program spread awareness about germs and their adverse effects on health, and how proper 'health and hygiene ‘practices, such as bathing and washing hands with soap could prevent diseases like diarrhea.

According to HLL, LSC was not a philanthropic activity, but a marketing program with a social benefit. HLL sought to grow the Lifebuoy brand in India by attracting those consumers who never used soap. In the process, the company sought to bring about a behavioral change by convincing people to use soaps more frequently, thus creating more users for its brand. This program was also seen as a successful case for public-private partnership.

The local interventions of the Life buoy it has also distributed soaps in the Gurudwaras in Punjab, engaging over 35,000 people with lifebuoy health and hygiene programme as a CSR Initiative.

Some of the Major CSR of HUL are as follows:

(1) Greening Barrens (Water Conservation & Harvesting): It has 2 main objectives: (a) To reduce water consumption in its own operations and generate sub-soil water tables at its own sites through the principles of 5R—Reduce, Reuse, Recycle, Recover & Renew. (b) Help adjacent villages to implement appropriate models of watershed development.

(2) Shakti—Changing Lives in Rural India: Shakti is HUL’s rural initiative, which targets small villages with population of less than 2000. It seeks to empower under privileged rural women by providing income-generating opportunities, health & hygiene education through Shakti Vani program and creating access to relevant information through the Shakti Community Portal.

(3) Health & Hygiene Education: Lifebuoy Swastya Chetna is a rural health and hygiene initiative, started in 2002, and was initiated in media dark villages in UP, MP. Bihar, WB, Maharashtra and Orissa States for spreading awareness about washing hands with Lifebuoy soap.

(4) Economic Empowerment of Women: The Fair & Lovely Foundation is HUL's initiative which aims at economic empowerment of women across India. It aims to achieve this through providing information, resources, inputs and support in the areas of education, career and enterprise.

(5) Special Education & Rehabilitation: Under the Happy Home initiative, HUL supports special education and rehabilitation of children with challenges. (a) Asha Daan: Initiated in 1976, HUL supported Mother Teresa and Missionaries in Charity to set up a home in Mumbai for abandoned, challenged children and the destitutes. (b) Ankur: In 1993, HUL's Doom Dooma Plantation Division set up Ankur for special education of challenged children aged between 5 and 15 years. Ankur provides educational, vocational and recreational activities to over 35 children with range of challenges like hearing or sight impairment, polio, cerebral palsy and several learning difficulties. (c) Kappagam: Encouraged by Ankur's success, Kappagam (Shelter), the second center for special education of challenged children, was set up in 1998 on HUL Plantations in South India. It has 17 children. The focus is same as that of Ankur. (d) Anbagam: This is another day care center (Center of Love), which was started in 2003 in south India plantations. It takes care of 11 children. Besides medical care and meals, they too are being taught skills such that they can become self-reliant and pursue elementary studies.

SWOT Analysis of Hindustan unilever

STRENGHTHS

Strong Brand Portfolio

Strong Distribution Network

Over 16 million outlets all over the world

700 million Customer Base

Strong R&D of the company

Highly Skilled Human Resource

First soap to use carbolic acid, which gave it a red color and strong, medicinal scent

Wide portfolio for the Lifebuoy brand ranging which includes Soap, Hand Sanitizer and Hand Wash

High consumer awareness for the brand of Lifebuoy

Most popular soap brand specially in the rural market

Excellent brand visibility and extensive distribution

WEAKNESS

Strong Competition

Changing consumption Pattern

High Advertising Costs

Lower market penetration in urban areas as compared to rural areas

Initially positioned as a masculine soap, which was eventually turned as a family soap.

Not been perceived as a beauty soap, and is mainly used just for hand washing

OPPORTUNITIES

Large domestic market in India-over a billion population

More potential in rural markets

Changing Lifestyles & Rising income levels, i.e. increasing per capital income of consumers

The Lifebuoy 'Swasthya Chetana programme' uses a 'direct consumer contact'

methodology, and touches the lives of 70 million people in 18,000 villages

Imparting education about importance of hand washing to prevent spread of ger

Used global epidemics like swine flu to further promote products for better hygiene and protection

THREATS

Tax and regulatory structure

Mimic of brands

Entry of ITC in FMCG sector

Increasing cost of raw material

Competitor brands offering similar levels of protection

Considered to be a low-end product and may find it difficult to move up in the segment.

9.2.2 E- CHOUPAL Venture by ITC

Agriculture is vital to India. It produces 23% of GDP, feeds a billion people, and employs 66% of the workforce. Because of the Green Revolution, India's agricultural productivity has improved to the point that it is both self-sufficient and a net exporter of a variety of food grains. Yet most Indian farmers have remained quite poor. The causes include remnants of scarcity-era regulation and an agricultural system based on small, inefficient landholdings. The agricultural system has traditionally been unfair to primary producers. Soybeans, for example, are an important oilseed crop that has been exempted from India's Small-Scale Industries Act to allow for processing in large, modern facilities. Yet 90% of the soybean crop is sold by farmers with small holdings to traders, who act as purchasing agents for buyers at a local, government-mandated marketplace, called a mandi. Farmers have only an approximate idea of price trends and have to accept the price offered them at auctions on the day that they bring their grain to the mandi. As a result, traders are well positioned to exploit both farmers and buyers through practices that sustain system-wide inefficiencies.

Rural India is a difficult business location. Transport, electric power, and information infrastructure are inadequate. Business practices are underdeveloped or outdated. Lack of access to modern resources has resulted in an under-trained workforce. Rural society is structured around subsistence and is unprepared for modern products and services. These

constraints, along with many others, have dissuaded most companies from taking on the challenge of rural commerce. Yet such an engagement can serve a dual agenda: bridging rural isolation and the resulting disparities of education and economic opportunity, while at the same time creating a potentially large profit opportunity for the organization willing to tackle the inefficiencies. The key question is how modern resources and methods can be practically deployed to profitably overcome rural constraints. Also important are the social impacts of such an engagement.

ITC's e-Choupal initiative began by deploying technology to re-engineer procurement of soya and other crops from rural India. It has gone on to serve as a highly profitable distribution and product design channel. The effort holds valuable lessons in rural engagement and demonstrates the magnitude of the opportunity while illustrating the social and development impact of bringing global resources, practices, and remuneration to the Indian farmer.

ITC is one of India's leading private companies, with annual revenues of US$2 billion. Its International Business Division was created in 1990 as an agricultural trading company; it now generates US$150 million in revenues annually. The company has initiated an e-Choupal effort that places computers with Internet access in rural farming villages; the e-Choupals serve as both a social gathering place for exchange of information (choupal means gathering place in Hindi) and an e-commerce hub. What began as an effort to re-engineer the procurement process for soy, tobacco, wheat, shrimp, and other cropping systems in rural India has also created a highly profitable distribution and product design channel for the company—an e-commerce platform that is also a low-cost fulfillment system focused on the needs of rural India. The e-Choupal system has also catalyzed rural transformation that is helping to alleviate rural isolation, create more transparency for farmers, and improve their productivity and incomes.

E-Choupal is an India-based business initiative by ITC Limited that provides Internet access to rural farmers. The purpose is to inform and empower them and, as a result, to improve the quality of agricultural goods and the quality of life for farmers.

Launched in June 2000, 'e-Choupal', has already become the largest initiative among all Internet-based interventions in rural India. 'e-Choupal' services today reach out to over 4 million farmers growing a range of crops - soybean, coffee, wheat, rice, pulses, shrimp - in over 35000 villages through 6100 kiosks across 10 states (Madhya Pradesh, Haryana, Uttarakhand, Uttar Pradesh, Rajasthan, Karnataka, Kerala, Maharashtra, Andhra Pradesh and Tamil Nadu).

The problems encountered while setting up and managing these 'e-Choupals' are primarily of infrastructural inadequacies, including power supply, telecom connectivity and bandwidth, apart from the challenge of imparting skills to the first-time internet users in remote and inaccessible areas of rural India.

Several alternative and innovative solutions - some of them expensive - are being deployed to overcome these challenges e.g. Power back-up through batteries charged by Solar panels, upgrading BSNL exchanges with RNS kits, installation of VSAT equipment, Mobile Choupals, local caching of

static content on website to stream in the dynamic content more efficiently, 24x7 helpdesk etc.

As India's 'Kissan' Company, ITC has taken care to involve farmers in the designing and management of the entire 'e-Choupal' initiative. The active participation of farmers in this rural initiative has created a sense of ownership in the project among the farmers. They see the 'e-Choupal' as the new age cooperative for all practical purposes.

This enthusiastic response from farmers has encouraged ITC to plan for the extension of the 'e-Choupal' initiative to altogether 15 states across India over the next few years. On the anvil are plans to channelize other services related to micro-credit, health and education through the same 'e-Choupal' infrastructure.

Another path-breaking initiative - the 'Choupal Pradarshan Khet', brings the benefits of agricultural best practices to small and marginal farmers. Backed by intensive research and knowledge, this initiative provides Agri-extension services which are qualitatively superior and involves pro-active handholding of farmers to ensure productivity gains. The services are customized to meet local conditions, ensure timely availability of farm inputs including credit, and provide a cluster of farmer schools for capturing indigenous knowledge. This initiative, which has covered over 64,000 hectares, has a multiplier impact and reaches out to around 70,000 farmers.

Spurred by India’s need to generate foreign exchange, ITC's International Business Division (IBD) was created in 1990 as an Agri-trading company aiming to “offer the world the best of India's produce.” Initially, the agricultural commodity trading business was small compared to international players. By 1996, the opening up of the Indian market had brought in international competition. Large international companies had better margin-to-risk ratios because of wider options for risk management and arbitrage. For an Indian company to replicate the operating model of such multinational corporations would have required a massive horizontal and vertical expansion. In 1998, after competition forced ITC to explore the options of sale, merger, and closure of IBD, ITC ultimately decided to retain the business. The Chairman of ITC challenged IBD to use information technology to change the rules of the game and create a competitive business that did not need a large asset base. Today, IBD is a US$150 million company that trades in commodities such as feed ingredients, food-grains, coffee, black pepper, edible nuts, marine products, and processed fruits.

ITC Limited (formerly India Tobacco Company Limited) is a consumer product and agribusiness conglomerate in India known for their production of cigarettes, specialty paper, food products and packaging services. Through the e-Choupal initiative, ITC has created more than 6,500 e-Choupal computer stations in rural areas that serve an average of six hundred farmers each. Using this technology, farmers may order supplies, learn about best agricultural practices, receive weather reports and read about pricing for crops throughout the region. Farmers can use that information to their own prices. They also obtain higher profit margins because they’re no longer forced to sell through a middleman. ITC Limited also benefits from the initiative, by simplifying its supply chains and increasing its profits.

Farmers can use that information to their own prices. They also obtain higher profit margins because they're no longer forced to sell through a middleman. ITC Limited also benefits from the initiative, by simplifying its supply chains and increasing its profits.

E-Choupal is an initiative of the International Business Division (IBD) of one of India's leading private companies, ITC Ltd. Beginning in 2000, ITC set up a network of ICT kiosks around the country, called e-Choupal (an open meeting place in a village).

E-Choupal, the two-decade old initiative from ITC aimed to web-enable farmers to overcome challenges related to information access and procurement, is set for a major makeover this year. Driven by increasing smart phone penetration in the country coupled with declining data costs, the FMCG and hospitality conglomerate plans to launch a mobile version of the programme by middle of 2019.bWhen the programme was started 20 years ago, each e-Choupal cost around ₹30 lakh; this subsequently came down to just about ₹1.5 lakh as computers and technology became more affordable. The initiative now comprises about 6,100 installations covering over 35,000 villages in 21 States and serving over four million farmers across the country.

Under the current system, ITC helps build village internet kiosks. These kiosks enable farmers access information in their local language on the weather and market prices, besides knowledge on scientific farm practices and risk management. With real-time information, farmers are able to align their farm output with market demand. The system also helps reduce transaction costs by eliminating the need for intermediaries as farmers are virtually linked to the mandi (agricultural market) system for price discovery. ITC, in turn, benefits from lower net cost of procurement by eliminating costs in the supply chain that do not add value.

e-Choupal also unshackles the potential of Indian farmer who has been trapped in a vicious cycle of low risk-taking ability > low investment > low productivity > weak market orientation > low value addition > low margin > low risk-taking ability. This made him and Indian agribusiness sector globally uncompetitive, despite rich & abundant natural resources.

Such a market-led business model can enhance the competitiveness of Indian agriculture and trigger a virtuous cycle of higher productivity, higher incomes, enlarged capacity for farmer risk management, larger investments and higher quality and productivity.

Further, a growth in rural incomes will also unleash the latent demand for industrial goods so necessary for the continued growth of the Indian economy. This will create another virtuous cycle propelling the economy into a higher growth trajectory.

e-Choupal' makes use of the physical transmission capabilities of current intermediaries - aggregation, logistics, counter-party risk and bridge financing -while disintermediating them from the chain of information flow and market signals.

With a judicious blend of click & mortar capabilities, village internet kiosks managed by farmers - called sanchalaks - themselves, enable the agricultural community access ready information in their local language on the weather & market prices, disseminate knowledge on scientific farm practices & risk management, facilitate the sale of farm inputs (now with

embedded knowledge) and purchase farm produce from the farmers' doorsteps (decision making is now information-based).

Real-time information and customized knowledge provided by 'e-Choupal' enhance the ability of farmers to take decisions and align their farm output with market demand and secure quality & productivity. The aggregation of the demand for farm inputs from individual farmers gives them access to high quality inputs from established and reputed manufacturers at fair prices. As a direct marketing channel, virtually linked to the 'mandi' system for price discovery, 'e-Choupal' eliminates wasteful intermediation and multiple handling. Thereby it significantly reduces transaction costs.

'e-Choupal' ensures world-class quality in delivering all these goods & services through several product / service specific partnerships with the leaders in the respective fields, in addition to ITC's own expertise.

A pure trading model does not require much capital investment. The e-Choupal model, in contrast, has required that ITC make significant investments to create and maintain its own IT network in rural India and to identify and train a local farmer to manage each e-Choupal. The computer, typically housed in the farmer's house, is linked to the Internet via phone lines or, increasingly, by a VSAT connection, and serves an average of 600 farmers in 10 surrounding villages within about a five-kilometer radius. Each eChoupal costs between US$3,000 and US$6,000 to set up and about US$100 per year to maintain.

Using the system costs farmers nothing, but the host farmer, called a sanchalak, incurs some operating costs and is obligated by a public oath to serve the entire community; the sanchalak benefits from increased prestige and a commission paid him for all e-Choupal transactions. The farmers can use the computer to access daily closing prices on local mandis, as well as to track global price trends or find information about new farming techniques—either directly or, because many farmers are illiterate, via the sanchalak. They also use the e-Choupal to order seed, fertilizer, and other products such as consumer goods from ITC or its partners, at prices lower than those available from village traders; the sanchalak typically aggregates the village demand for these products and transmits the order to an ITC representative.

At harvest time, ITC offers to buy the crop directly from any farmer at the previous day's closing price; the farmer then transports his crop to an ITC processing center, where the crop is weighed electronically and assessed for quality. The farmer is then paid for the crop and a transport fee. "Bonus points," which are exchangeable for products that ITC sells, are given for crops with quality above the norm. In this way, the e-Choupal system bypasses the government-mandated trading mandis.

Farmers benefit from more accurate weighing, faster processing time, and prompt payment, and from access to a wide range of information, including accurate market price knowledge, and market trends, which help them decide when, where, and at what price to sell. Farmers selling directly to ITC through an e-Choupal typically receive a higher price for their crops than they would receive through the mandi system, on average about 2.5% higher (about US$6 per ton). The total benefit to farmers includes lower prices for inputs and other goods, higher yields, and a sense of empowerment. The e-Choupal system has had a measurable impact on what farmers chose to do: in areas covered by e-Choupals, the percentage

of farmers planting soy has increased dramatically, from 50 to 90% in some regions, while the volume of soy marketed through mandis has dropped as much as half.

In mid-2003, e-Choupal services reached more than 1 million farmers in nearly 11,000 villages, and the system is expanding rapidly. ITC gains additional benefits from using this network as a distribution channel for its products (and those of its partners) and a source of innovation for new products. For example, farmers can buy seeds, fertilizer, and some consumer goods at the ITC processing center, when they bring in their grain. Sanchalaks often aggregate village demand for some products and place a single order, lowering ITC's logistic costs. The system is also a channel for soil testing services and for educational efforts to help farmers improve crop quality. ITC is also exploring partnering with banks to offer farmers access to credit, insurance, and other services that are not currently offered or are prohibitively expensive. Moreover, farmers are beginning to suggest—and in some cases, demand—that ITC supply new products or services or expand into additional crops, such as onions and potatoes. Thus, farmers are becoming a source of product innovation for ITC.

The e-Choupal model demonstrates that a large corporation can play a major role in recognizing markets and increasing the efficiency of an agricultural system, while doing so in ways that benefit farmers and rural communities as well as shareholders. It also shows the key role of information technology and maintained by a corporation but used by local farmersin helping bring about transparency, increased access to information, and rural transformation. Critical factors in the apparent success of the venture are ITC's extensive knowledge of agriculture, the effort ITC has made to retain many aspects of the existing production system, including maintenance of local partners, the company's commitment to transparency, and the respect and fairness with which both farmers and local partners are treated.

The e-Choupal system not only serves as a monopoly agriculture produce procurement channel, but also a source of agriculture and development information, agriculture extension services, and increasingly, community information for upstream actors. It thus threatens to overwhelm public and community-based systems that traditionally undertook many of these activities. In fact, it is a real concern that, citing the presence of e-Choupal kind of corporate systems, many governments will begin to withdraw their presence in these areas. Consequently, this raises a number of equity and social justice-based issues. There are some early indications that this may already be taking place. There is no leverage that the local community and local self-governance systems have over the e-Choupal system, and during interviews.

9.2.3 Titan Industries Limited

Starting from the steel, automobiles and software to consumer goods and telecommunications the Tata Group operates more than 80 companies. It has around 200,000 employees across India and thus has the pride to be Nation 's largest private employer. Mr. Ratan N. Tata has led the eminent Tata Group successfully. He was trained as an architect at New York's Cornell University, but he chose to enter the family business. He assumed the Chairmanship of the Group in 1991. Named Business Man of the Year for Asia by Forbes in 2004, Mr. Ratan Tata serves on the board of the Ford

Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative. Tata Group chairman Ratan Naval Tata has stepped down to pass on the entire responsibility to Cyrus Mistry. Under Tata, the group went through major organizational phases — rationalization, globalization, and now innovation, as it attempts to reach a reported $500 billion in revenues by 2020-21, roughly the size of what Walmart is today.

Tata is accredited to initiate various labor welfare laws. For example- the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948; Maternity Benefit was introduced in 1928 and enforced by law in 1946. A pioneer in several areas, the Tata group has got the credit of pioneering India's steel industry, civil aviation and starting the country's first power plant. It had the world's largest integrated tea operation. It is world's sixth largest manufacturer of watches (Titan).

In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards."

Titan Industries Limited was incorporated in 1984 as a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation Limited (TIDCO). The company has its registered office in Hosur and its corporate office in Bangalore. It also has manufacturing and assembly operations in Dehradun, Pantnagar, and Roorkee. The company is organized into three major divisions. The watch division manufactures and retails quartz watches, sunglasses, licensed watch brands, precision engineering components, automobile clocks, special purpose machines, and automation systems. The jewelry division manufactures and markets 18 kt studded jewelry, 22 kt plain jewelry and platinum jewelry under the brand name Tanishq. The precision engineering division focuses on automobile clocks and aerospace components.

In keeping with the Tata Ethos of engaging and empowering the communities around its work sites, Titan also has a well-crafted community development programme of giving back to the community.

It was evident that giving back to the community has been ingrained in the fabric of the Titan way of life, which parallels the Tata Group’s overall outlook on community initiatives. Titan Industries Limited’s commitment to CSR initiatives was palpably profound even before the advent of the mandatory CSR spending as per the new Indian government’s companies bill. Titanwith its management, places significant premium on transcending the oft-pervasive generation of profits, which businesses have long been synonymous with, to a purposeful inclusion of the community in business growth.

Titan Industries Limited has clear goals with regards to CSR. Over the next five years, the company plans on impacting the lives of 100,00 people, with 45000 earmarked for the first year. The company aims to focus on the needy, most exploited and underprivileged in the Indian society. Titan Industries Limited’s CSR initiatives focus on health, education, employability, to name a few.

The substantial investment in CSR initiatives by Titan Industries Limited lends credence to this burning desire by the company to contribute to the common good of the society.The amount of money invested in CSR initiatives in 2012/2013 (Rs. 3 Crores) points clear to the company's intent on contributing to making the lives of the poor, vulnerable, neglected and underprivileged better.

9.2.4 Titan CSR Projects

Titan Industries Limited has embarked on CSR initiatives to satiate its insistence on improving the lives of the poor, the underprivileged and underserved in the society. It is palpable that it has over the years undertaken projects in the underprivileged communities (like Scheduled Caste/Scheduled Tribes, tribal as well as other "backward" (as it is often used in India) societies). Some of these include: Titan Kanya—girl child education initiative, the MEADOWS women empowerment program, Titan Scholarship, provision of "Eye Care" to underprivileged communities, Kariga Park, to name a few. To make these projects more facile, it is worth elaborating on some of them. The group has also employed 169 differently abled people in blue collar work force in Hosur.

Titan Company Limited (Titan), a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation (TIDCO), commenced its operations in 1984 under the name Titan Watches Limited. Titan is the fifth largest integrated own brand watch manufacturer in the world. Over the last three decades, Titan has expanded into underpenetrated markets and created lifestyle brands across different product categories. Titan is widely known for transforming the watch and jewelry industry in India and for shaping India's retail market by pioneering experiential retail and its headquarters is located at Bengaluru in Karnataka.

Titan Company believes that corporate responsibility begins with its employees. The company ensures that harmony, peace and inclusive approach at work place are maintained. Efforts are made to engage employees in programs designed to fulfil our ecological and social responsibility. Various work-place initiatives are conducted to achieve this: War on Waste - an initiative that reduced the impact of manufacturing operations on the environment. At Titan Company, Corporate Social Responsibility is more than philanthropy - it is an internal process that reflects the soul of the company.

Corporate social responsibility is a basic element of TITAN Group 's governing objective and one of its corporate values. In its corporate philosophy CSR is defined as doing less harm and better by adopting the following practices.

- Respecting and Supporting local communities
- Caring for the Employees
- Being an active member of the society
- Committed to Sustainable development
- Putting safety first at their work place.

9.2.5 Titan Kanya Project

The Titan Kanya is an educational initiative that the company has embarked upon in response to the alarming educational and other problems

facing the girl child in India. Titan recognizes the import of education in alleviating the problems of the girl child. As a result, it aims to create awareness across the company by encouraging employees, vendor partners, franchisees, distributors, etc. to actively participate in educating the girl child. Employees can contribute money through sponsorships or by volunteering to teach students. Franchisees or vendor partners can adopt a learning center, adopt a child, or become a Titan Kanya evangelist by enrolling their staff as volunteers to teach in sponsored schools.

Across the world and particularly in India, research has indicated that educating girls has far-reaching, positive effects. Educated girls tend to marry later, have fewer children, feed them better, and are most likely to provide education for their children.

In 2012, Titan decided to bolster its efforts in education through a girl child education initiative. "The time had come for us to invest in a cause that directly impacted the girl child who is exploited and endangered, especially because of the practice of female feticide, followed by even the upper-class families," Bhaskar Bhat, managing director of Titan decided on working on these issues.

The initiative named 'Titan Kanya' – Empowered Girl Child aims to support 10,000 girl children with participation directly by Titan and through support from the employees and business associates. The girls hail from urban, rural and tribal areas of the country, sometimes deeply remote, with little access to a school. The programme takes a holistic approach to the cause of girl child education, by not only addressing the needs of Kanyas in the Academic Support Centers and ensuring attendance and good results, but also engaging with their families and other stakeholders to build ownership among the community.

Partnering with two well-known and well-executed girl child education programmes, Titan embarked on its mission to empower the girl child, supported by employees, vendor partners, franchisees and distributers. Besides providing monetary support, Titan encourages employees to volunteer for these programmes.

Titan's partnership with Nanhi Kali, run by the K C Mahindra Education Trust (KCMET) in collaboration with the Nandi Foundation, has helped empower 7,097 girls across 490 Schools. The collaboration with IIM Pact, an initiative of the alumni of the Indian Institute of Management, Ahmedabad (IIMA) has helped better the lives of 2,090 girls across 60 learning centres. As of December 2014, 9,187 girl children had been reached via Titan Kanya.

This one-on-one tailored approach has resulted in children showing tremendous progress in a period of just three months: each child progress by one level, each quarter. The programme is offered up to Grade 5, and the students are eventually mainstreamed into local middle schools. Additionally, basic counselling for parents and community mobilization, as well as teacher training is also conducted. Over 90 per cent of the children under this programme have been drawn from minority communities whose access to education has been restricted due to social and financial limitations.

The Nanhi Kali programme, in collaboration with KCMET, has impacted girl child education in the cities of Chennai, Kanker, Krishnagiri, Mahabubnagar, Delhi, Sheopur, Ratlam, Hyderabad, Mumbai,

Vishakapatnam and Pratapgarh. The initiative has received great support from Titan employees (595 volunteers across 543 academic centres) and business associates. And because every journey needs to stay on course for it to reach its destination, the programme is tracked on the following parameters: reduction in 'drop-out' rates; improvement in school attendance; and improvements in learning levels in Maths, Science and Languages.

Project sector: Education, Employability and Livelihoods Enhancement.

9.2.6 Empowering Women – The Meadow Initiative

Management of enterprises and Development of Women (MEADOW) began as a programme to help combat female infanticide in the Dharmapuri district, and to better the standard of living of women in these communities. Its initiatives involvement started by hiring women to make chapatis for the factory works. Later they were asked to take care of the laundry, in the year 1995, Titan joined hands with Myrada an NGO that works for Social causes and started a bracelet making unit. Satisfied by the professionalism by these women. Titan then converted the bracelet unit into a privately held company. It was then the MEADOW came into existence for the empowerment of the women especially. Titan began to give technical training and business managing skills to the women in the MEADOWS. Today around 200 women of these villages' own meadow.

The Management Enterprise and Development of Women (MEADOW) program is a CSR initiative by Titan in collaboration with a local NGO, Mysore Resettlement and Development Agency (MYRADA) which involves organizing poor semi-literate women from Hosur into self-help groups. The initiative began with contracting laundering of uniforms to them. Over time, other processes were outsourced including assembling of metal watch straps (bracelets). Titan provided them with capital equipment in addition to training them. Currently, 23 activities have been outsourced including case buffing, movement assembly, deburring, polishing aerospace components and jewelry making. This has had a significant impact on the socio-economic development of these women and villages.

Focusing on women empowerment remains a subject of great interest for organizations around the world but is this issue new within the Tata group. In this management brief it focus on the initiatives taken up by the Tata Group related to women empowerment.

Social responsibility was never regarded as an additional or miscellaneous activity by the Tata Group. For long, the Group influenced the community and lives of people associated with it in numerous ways. As pioneers of some of the best practices in the area of people development and labor relations, the group and the companies in their own capacity also played an important role and took several initiatives to transform the lives of women in the communities they operated in and helped making a difference to the society at large. The Sir Dorabjee Tata Trust established in 1932 along with the allied trusts- JRD and Thelma J Tata- for promoting the cause of welfare, education, health, rehabilitation and overall upliftment of women in India.

Research has propounded several frameworks delineating the various dimensions along which women could be empowered. While some of the frameworks discuss broad dimensions of empowerment such as CIDA

(1996), others like Kishor's (2000a) includes valuation of women, equality in marriage, as well as specific elements (e.g. lifetime exposure to employment). These frameworks primarily encompass economic, socio-cultural, familial/interpersonal, legal, political, and psychological dimensions. Each of these dimensions cover a range of empowerment sub-domains, such as physical mobility, to non-familial social support systems and networks available to women that need to be addressed. While some group initiatives were a part of the Group's corporate social responsibility activities, others were started to support the business needs of the organization in turn creating economic and social empowerment of the community.

Titan's manufacturing unit in Hosur in the Krishnagiri district of Karnataka is a drought- prone area, suffering from social issues including gender inequality, low literacy rates, female child labor and high female infanticide rates. In collaboration with MYRADA (formerly the Mysore Resettlement and Development Agency) – a non-government organisation that facilitated women's self-help groups, - Titan set up Project Meadow (Management of Enterprise and Development of Women) in 1996 with an aim to provide employment opportunities to young women. The project initiated with just 24 girls with a qualification of high school education evolved into a registered company (Meadow, set up in 1998) with 343 women members as owner-managers and workers in their own enterprise. The women were provided with jobs like laundering uniforms of TITAN factory workers, and washing industrial trays used in holding watches and straps. The women were also given extensive training in material accounting and documentation procedures. The jewelry division of Titan outsourced some crucial activities in the production of studded jewelry; primarily in the area of waxing, stone-setting and alloying to Meadow. An initial batch of 40 women was trained to advance their skills in jewelry-making. They began with bracelet link assembly, and gradually undertook 16 different tasks such as case buffing, hand press and gold plating, strapping, movement assembly, jewelry and strap masking.

SWOT ANALYSIS:

STRENGTHS

Large network of exclusive stores and service centers

High Top of the mind recall, especially for the midmarket segment.

Different sub-brands under the brand titan success in demographic segmentation

Exported in 40 countries

WEAKNESS

Premium category brands like xylys have been camouflaged by the Titan brands image of being a mid-player

Haven't penetrated the global market as some other international watch makers.

OPPURTUNITIES

India is an under penetrated market for watches

Global expansion and tie-ups with global watch and jewelry markets

THREATS

Broad target segments may lead to lack of focus in brand strategy

Stiff competition faced by foreign brands, particularly in premium segment.

Key Initiatives Driven

Girl Child Initiatives in education and their livelihood

Skill development

Supporting arts, crafts and heritage

Support towards local and national causes- Responsible citizenship.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What are the benefits of CSR for the Ecological environment?
2. How does the e-Choupal benefit Farmers?
3. What is the relationship between environmental sustainability and CSR?
4. What were the major key achievements of the MEADOW project?

9.3 LET US SUM UP

Since the times of the barter system to present era of plastic money, the mankind has stridden out long path. There is no doubt in this that "profitability" has always been the primary force and main motivation behind all this development. This motive actually increased cut throat competition between the business forms. Because of this competition, the companies stated exploiting the quality of product as well as the environmental concern. Slowly and gradually the business houses realized that they have to give back to the society because they are surviving because of the society only. This realization gives the birth to the concept of Corporate Social Responsibility. However, the companies started using this concept for brand building more than delivering it as a responsibility. The studies also revealed that the companies used the corporate social responsibility for enhancing their profit as well. Through this role of the CSR and its case studies overall, we can conclude that how these visionary projects have been sustainable one and is still extending contributing towards the life of many people.

9.4 ANSWER TO CHECK YOUR PROGRESS

1. CSR is a social regulation which is integrated into the business type or model of the company and in-turn how these protect the sustainability of the environment in managing the development of the green cover.

2. Accessibility to the internet helps the farmers to know about their mandi prices and goods storage practices and also to place orders for the seeds and agriculture related items.
3. Sustainability relates to the reduction of environmental impact through reduction of consumption (reduce, recycle, reuse). Corporate Responsibility wider relationship between the organisation and contributes for the wellness of the environment and the community.
4. The titan industries through its MEADOWS programme which was a skill development programme especially for the welfare and the livelihood of the women of more than 200 villages.

9.5 UNIT END QUESTIONS

1. What are the other ways that a Corporate can contribute towards the sustainability of the environment?
2. Prepare a model of CSR Contributing towards the livelihood of the women and education of the Children?
3. Discuss the successful sustainable projects of the TATA group in the philanthropic activities?
4. Discuss as a group the benefits of e eChoupal and prepare a project that would benefit the farmers and the rural livelihood?

9.6 SUGGESTED READINGS

https://www.titancompany.in/corporate-social-responsibility-initiative

https://www.jbs.cam.ac.uk/fileadmin/user_upload/research/centres/india/downloads/report_2013_sarbah.pdf

http://oaji.net/articles/2015/1928-1431085671.pdf

https://www.academia.edu/4511194/Strategic_Management_HUL_Lifebuoy

https://www.slideshare.net/georgetcherian/a-case-study-on-lifebuoy

https://www.itcportal.com/businesses/agri-business/e-choupal.aspx

Corporate Social Responsibility: A Practioner's Perspective by Nirbay Lumde published by Notion Press 2018.

UNIT- X TATA POWER; TOOLS FOR COMMUNICATING CSR (SKILL BUILDING): SOCIAL MEDIA, FILMS AND REPORTS AND DEVELOPMENT STRATEGIC PARTNERSHIPS

Structure

10.1 TATA POWER

Tata Power Company Ltd is India's largest integrated private power company with a significant international presence. The company has an installed generation capacity of 10857 MW (as of August 2018) in India and a presence in all the segments of power sector viz. Fuel & Logistics Generation (thermal hydro solar and wind) Transmission Distribution and Trading. It has successful public-private partnerships in Generation Transmission and Distribution in India namely Tata Power Delhi Distribution Limited with Delhi Government for distribution in North Delhi `Power links Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi and ‘Maithon Power Ltd.’ with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. Tata Power is one of the largest renewable energy players in India and has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. Tata Power has signed a Distribution Franchisee Agreement (DFA) with Ajmer Vidyut Vitran Nigam Limited (AVVNL) and formed a Special Purpose Vehicle (SPV) TP Ajmer Distribution Limited (TPADL) to cater to the power requirements of customers in Ajmer for a period of 20 years.Tata Power's international presence includes strategic investments in Indonesia through 30% stake in the leading coal company PT Kaltim Prima Coal (KPC) in Singapore through Trust Energy Resources to securitise coal supply and the shipping of coal for its thermal power generation operations; in South Africa through a joint venture called ‘Cennergi’ to develop projects in South Africa Botswana and Namibia; in Australia through investments in clean coal technologies and in Bhutan through a hydro project in partnership with The Royal Government of Bhutan. Tata Power commissioned its first hydroelectric power generating station commissioned at Khopoli in the year 1915 with an installed capacity of 40 MW which was subsequently upgraded to 72 MW. In the year 1922 they commissioned another hydro power station at Bhivpuri with an installed capacity of 40 MW subsequently upgraded to 72 MW. In the year 1927 they set up Third Hydro power station of 90 MW

capacity at Bhira which was subsequently upgraded to 150 MW. In the year 1956 the company set commissioned a major thermal power station of 62.5 MW capacity at Trombay to meet the increasing demand of electricity. Also they set commissioned two more thermal units of similar capacity i.e. 62.5 MW in the years 1957 and 1960 respectively. In the year 1965 they set up Fourth thermal unit of 150 MW capacity at Trombay. In the year 1984 the company commissioned India's first 500 MW generating unit with multi-fuel burning capability at Trombay. In the year 1990 they set up Second 500 MW thermal unit at Trombay. In the year 1994 the company commissioned a gas-based 180 MW capacity combined cycle plant to provide quick-start capacity to Trombay Thermal Station and to ensure reliable and uninterrupted supply for essential services in Mumbai. In the year 1996 the company commissioned the 150 MW Pumped Storage Unit at Bhira. Also they set up 67.5 MW Thermal Power Plant at Jojobera (Jharkhand). In the year 2000 The Tata Hydro-Electric Co. Ltd. The Andhra Valley Power Supply Co. Ltd. and the Tata Power Co. Ltd. are amalgamated to become one entity- The Tata Power Company Limited. Also they commissioned a unit of 120 MW at Jojobera. In the year 2001 the company set up 81.3 MW diesel generator based plant at Belgaum Karnataka. In the year 2003 the company entered into a joint venture with Power Grid Corporation of India Ltd. to develop a 1200 Km long transmission line to bring electricity from Bhutan to Delhi. In the year 2004 the company incorporated a wholly owned subsidiary company known as Tata Power Trading Co. Ltd. for the power trading business. In the year 2005 the company commissioned the unit 4 of 120 MW capacity at Jojobera. In the year 2006-07 the company completed the acquisition of 30% equity in Indonesian Coal Mines PT Kaltim Prima Coal (KPC) and PT Arutmin Indonesia as well as trading companies from PT Bumi Resources. In the year 2008 the unit 1 of 2 x 45 MW Phase of Haldia Project is synchronised with the grid. Also the company commissioned the expansion project of 250 MW (Unit # 8) at Trombay. During the year 2009-10 the company successfully completed the overhaul of Unit 5 during which the Unit underwent major renovation and modernization. The company commissioned Unit 3 of 30 MW resulting in increase in the installed capacity of the plant to 120 MW. These Units use hot coke oven gas from Hooghly Metcoke and Power Company Limited to produce steam for power generation. Also the company commissioned an additional 42 MW of wind power capacity taking the total capacity to 201 MW. During the year 2010-11 the company commissioned an additional 6 MW of wind power capacity in Maharashtra taking the total installed wind power capacity in Mumbai Operations to 106 MW. Also the company acquired a 21 MW wind farm taking the total installed capacity outside Mumbai operations to 122 MW. In 2012 Tata Power commissioned a 25 MW solar plant at Mithapur in Gujarat. During the year under review Tata Power commissioned 1050 MW Maithon power project. During the year under review Tata Power acquired 26% stake in large mines at PT Baramulti Suksessarana Tbk (BSSR) Indonesia. In 2013 Tata Power implemented the first 4000 MW Ultra Mega Power Project of India at Mundra Gujarat based on super critical technology. In 2014 Tata Power exited from Indonesian coal mine PT Arutmin Indonesia. During the year under review Tata Power acquired a 39.2 MW wind farm near Dwarka Jamnagar in Gujarat. During the year under review Tata Power commissioned 28.8 MW solar power project at Palaswadi in Maharashtra. During the year under review the company completed the commissioning of 32 MW Wind

farm project in Maharashtra. In 2015 Tata Power's Joint-Venture Maithon Power Limited (MPL) commenced flow of energy to Kerala on a Long Term Agreement basis. In 2016 Tata Power's Joint-Venture commissioned 120 MW Itezhi Tezhi hydro power project in Zambia. During the year under review Tata Power partnered with Toshiba and Cargill to design and develop India's first green safe and compact natural ester-based pad mount substation. On 12 June 2016 Tata Power Company (Tata Power) announced that its 100 percent subsidiary Tata Power Renewable Energy (TPREL) has signed share purchase agreement (SPA) with Welspun Energy (WEPL) to acquire its subsidiary Welspun Renewables Energy (WREPL). This represents the largest transaction in renewables space in India. WREPL has one of the largest operating solar portfolios in India spread across ten states. It has about 1140 MW of renewable power projects comprising of about 990 MW solar power projects and about 150 MW of wind power projects. Out of 1140 MW renewable portfolio nearly 1000 MW of capacity is operational and balance capacity is under advanced stages of implementation. On 19 August 2016 Cennergi Tata Power's 50:50 joint venture with Exxaro Resources in South Africa announced the commencement of commercial operations for its 95 MW Tsitsikamma Community Wind Farm (TCWF) project. Cennergi was selected as the preferred bidder for two wind projects under the second window of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) by the South African government. With the commissioning of the Tsitsikamma project Cennergi's operational portfolio has increased to 229MW. In 2017 Tata Power's 100 percent subsidiary Tata Power Renewable Energy commissioned 100 MW wind farm in Andhra Pradesh. During the year under review Tata Power executed Distribution Franchisee Agreement (DFA) for electricity distribution in Ajmer City. On 2 January 2018 Tata Power Renewable Energy Ltd. (TPREL) Tata Power's wholly-owned subsidiary announced the commissioning of its 50 MW DCR solar plant at Pavagada Solar Park in Karnataka. The project was won by the company on 4 April 2016 under the National Solar Mission Phase-II Batch-II Tranche-I State Specific Bundling Scheme. On 8 January 2018 Tata Power announced that it has set up additional electric vehicle charging stations at strategic locations thereby making Mumbai truly ready to usher in the Electric Vehicle wave. The latest Electric Vehicle charging stations by Tata Power have been set up at Palladium Mall Lower Parel and Phoenix Marketcity Kurla; and two more coming up at BKC and western express highway at Borivali. On 26 March 2018 Tata Power announced that the company's Board has approved the sale of its shares in Tata Communications and Panatone Finvest to Tata Sons and its affiliates. Panatone Finvest holds 30.1% of Tata Communications. The move is a part of the company's plan to monetize its non-core assets and improve the balance sheet to set the stage for next phase of growth. The estimated realisation will be about Rs 2150 crore and is subject to shareholders' approval. On 29 March 2018 Tata Power announced that its Board has approved the sale of its Defense business to Tata Advance Systems Limited a wholly owned subsidiary of Tata Sons at an enterprise value of Rs 2230 crore (out of which Rs 1040 crore payable at the time of closing and Rs 1190 crore payable on achieving certain milestones) subject to Government & other approvals. This is as part of the company's plan to monetize its non-core assets and improve the balance sheet. On 11 July 2018 Tata Power announced that its

wholly owned subsidiary Tata Power Renewable Energy Limited (TPREL) has received a Letter of Award from Karnataka Renewable Energy Development Limited (KREDL) to develop 250 MW (50 MW x 5 Nos) of solar projects located in state's Tumkur district at Karnataka. On 27 September 2018 Tata Power and Hindustan Petroleum Corporation Limited (HPCL) a Navratna Oil & Gas Public Sector Undertaking announced the signing of a Memorandum of Understanding (MoU) for setting up commercial-scale charging stations for Electric Vehicles at the HPCL retail outlets and other locations across India. Tata Power and HPCL through this new landmark MoU have agreed to collaborate in planning development and operation of charging infrastructure for electric vehicles (e-cars e-rickshaws e-bikes e-buses etc.) at suitable locations across India. Both entities also intend to additionally explore areas of opportunities & collaboration in related fields like Renewable Energy.

10.2 TOOLS FOR COMMUNICATING CSR (SKILL BUILDING): SOCIAL MEDIA, FILMS AND REPORTS

CSR communication in the Social Media / social networks

Within the wide range of services offered on the Internet, the use of online social networks has grown exponentially in recent years. Unlike websites, these networks allow greater ease of access to dialogue and communication among users. This is the age of Web 2.0, which offers companies a number of possibilities in their management of CSR communication and dialogue with their stakeholders. Web 2.0 refers to applications that promote contents generated by the user, the sharing of those contents and their collaborative creation (Coombs, 2012). The social media stand out among these applications as one of the main founding elements of this new generation known as Web 2.0 (Vinke, 2011). Social media are based on web and mobile technology media that allow the creation and exchange of contents generated by the user as well as social interaction and communication (Burkhardt, 2009). These include online social networks, blogs, localisation services, video sharing sites, etc. (Gómez, 2012), online social networks being the ones that have undergone the greatest growth in popularity (Vinke, 2011). Online social networks are web services that enable users to build a public or semi-public profile within certain limits or conditions of privacy that vary from one extent to another depending on the social network. The main function that they offer is that of connecting you with other users in order to share information and to see contacts with other profiles, while yours can also been seen by others (Boyd & Ellison, 2008). Some of the advantages offered by these networks include their worldwide popularity, the low cost involved in implementing them, instantaneous communication, the ease with which real-time measurements can be made, etc. (Madinabeitia, 2010).

This evolution from Web 1.0 to Web 2.0 has gone hand-in-hand with an increase in two-way communication over the Internet. This has opened up new possibilities for CSR communication in companies. Online social networks have contributed to the development and transformation of CSR to such an extent that authors such as Visser (2010) call it the Age of CSR 2.0. The speed of communication and the connectivity of many actors bringing different voices to the debate of CSR are what Castelló, Morsing, and Schultz (2013) call the pluralisation process. Users of online social networks, in general, are calling for a closer, more committed and transparent relationship with companies (Ros-Diego & Castelló-

Martínez, 2012). As a result, organisations have to go a step further with regard to online social networks. They need to enhance the CSR communication of their responsible actions not only to generate a profit, but also as a way to contribute to their commitment to and promotion of CSR (Ros-Diego & Castelló-Martínez, 2012). As a result of this, CSR communication is no longer directed by organisations in the sense that best serves their interests. Now the receivers, in this case consumers and other stakeholders, have a greater capacity to control the message (Hansen, 2012). These users call for companies to perform more responsible actions and such demands become widespread in very little time. Organisations must therefore be capable of enhancing the ties with their users by building a social capital that yields benefits for all the parties involved (Vinke, 2011).

Films

Documentary Films is a mediated storytelling genre and communication practice shaped by the creative freedom of scripted entertainment storytelling, alongside aspects of the research, reporting practices, and outputs of journalism. Documentary, therefore, is both an artistic expression and product, as well as reflection of truth. In this context, it can also be understood as a mechanism for communication in pursuit of social change and engagement with the public about topical issues. Documentary storytelling in the United States and around the world is often produced by independent filmmakers who are external to the decision-making boundaries of formal media institutions. Independence permits often-unseen perspectives to be reflected in the culture and enables community-centered storytellers and collaboration. Documentary production practices and audience accessibility have evolved in the digital era and consequently so has the potential for nonfiction storytelling to actively engage publics. As contemporary audiences are able to access documentaries in theaters, TV, online streaming outlets, and social media channels, documentary storytelling plays an influential persuasive role, shaping public opinion and spotlighting social issues. Documentary is often leveraged as an advocacy communication mechanism to raise awareness and advocate for change on challenging social problems and issues. Historically, documentary scholarship has resided primarily within film journals. However, as the professional ecosystem around documentary storytelling as communication mechanism has evolved, and as documentaries are more readily available in the entertainment marketplace, scholars across disciplines increasingly examine documentary influence and practices related to public engagement. This article is not an exhaustive examination of documentary storytelling as an art form, nor does it attempt to present all documentary genres; rather, it locates documentary intentionally within communication practice and available scholarship, while including core principles of documentary as a media genre. The work also acknowledges that documentary genres—within the context of communication and public engagement—are not mutually exclusive. This article offers an overview of documentary as a communication practice and source of contemporary societal influence. It does so by presenting relevant literature within three broad themes that reveal documentary as communication practice, not simply documentary as entertainment or art form: cultural context and production of documentary, contemporary documentary genres as communication and advocacy, and documentary influence and impact, which includes both media effects and grassroots community engagement.

Across genres of documentary as communication, legal and ethical challenges are crucial, given the centrality of both arenas to production, distribution, and audience reception of artistic reflections of real life.

Reports

An Annual Report in today's context has become an important communication material. Some organisations use it for fund raising activities, some as a need and request from funders, some to showcase key activities and achievements of an organisation and some present it as a technical report. It is called as a technical report, since it projects/states different types of information, either domain-wise or project-wise. A typical Annual Report often contains financial information, to include Income and Expenditures. Whatever the reason, one should see the story board of an Annual Report with a visual layout of pictures, images, photographs and also include the required text.

At the Center for Science, Technology and Policy (CSTEP), a not-for-profit organisation and one of the largest Think Tanks based in Bangalore, India, an Annual Report is a technical report. However, it is designed to share with audience from various backgrounds and experiences events, mile stones achieved, impact studies made, innovations, new projects to name a few.

The production of the latest Annual Report went through a systematic and rigourous process to ensure that nothing was missed out. The process began with identifying the audience. While it was accepted that the primary audience would be CSTEP the larger and exterior audience would be any one from – policy/decision makers both from the State and National levels, to funders, consortium partners, ex-employees and acquaintances and new visitors. For any communication material to go out to the public, it is believed that the immediate audience (inner/organisation) need to understand and accept what is going out to the public. There are 2 primary reasons for this, one, by accepting what is being showcased in an Annual Report, one primarily admits to having ownership, secondly, in most cases all the employees become the spokespersons of an organisation. Since an Annual Report is used as a communication tool, it is very important to understand and accept the contents of the same.

10.3 DEVELOPMENT STRATEGIC PARTNERSHIPS

Strategic partnerships are often an ideal way to build brand traction, expand your audience and customer base, access additional resources and talent, and stimulate revenue growth without acquiring another company. You can create a temporary brand partnership through a joint marketing campaign. Also you can aim for a longer partnership (e.g., joint venture) to create new products or services. I've worked in various partnerships throughout my career.

Here are some tips to help you approach and manage partnerships in a way that creates a win-win.

1. Define individual and mutual value: While a strategic partnership can increase your brand value, don't forget to assess your own value and ensure it is recognized within the relationship. Defining value up front is important to maintain equal footing and illustrate why the someone should work with you. Before you formalize a partnership, make sure you understand the value you both bring, how that value is enhanced, and what

additional customer-centric value is generated through the partnership. If you don't have those answers or they don't add up, you shouldn't proceed. If you are satisfied, then it's a strategic partnership that will likely deliver a solid return.

2. Identify a shared vision and principles: Create a written vision statement and principles to guide everything you do together. Although you are not forming a company, it helps to write this down and use it as a foundation for how you will interact and collaborate. Think of it as a temporary culture in place for the time period of the partnership. Also, partnerships will have friction. You are both separate companies with agendas and objectives that may not always mesh. This is where your shared vision and principles will help. Consulted them when there is a conflict to find common ground and negotiate through the differences.

3. ***Take your time and do it right:*** Any rushed relationship typically does not go well — or last long. It's okay to take time to get to know one another and feel each other out. Spending time on a social and professional level can help you understand each other's quirks.

Conduct due diligence on each other, and have follow-up meetings until each of you is satisfied it is the right decision to collaborate. Also, once you are in the partnership, don't rush to end it if you sense anything that makes you uncomfortable. It will take time to get into a flow with each other. If there are problems, talk them through rather than ditch the partnership.

4. Create partnership parameters: The partnership should have parameters on how you work with each other. This will bring structure and meaning to the partnership. It will also minimize any misunderstandings that could derail the value you are trying to create. Parameters should be in the form of an agreement that describes the roles and responsibilities of each partner. It should also list goals, success metrics, and timelines to achieve certain milestones. It will also cover the financial aspects and how the strategic partnership ends in terms of estimated time frames and exit strategies.

5. Train, assess and communicate regularly: I've seen situations where brands partner, decide on some tactics and assume it will just go as planned. The better approach is to invest in training each other's teams to understand the brand benefits on an individual and mutual basis. Everyone involved in the partnership should regularly communicate. This can be accomplished through collaboration software and project management apps, while maintaining regular meetings. Assessment is a must-have strategy to ensure the tactics are doing what both brands want. This is where metrics really help: If anything is not working, regular communication can prove invaluable to help pivot as quickly as possible. The integration of sales and marketing teams can also maximize the resources used for deployment and changes.

Strategic partnerships allow you to play the field. Yes, it's okay to create more than one partnership at the same time — as long as it makes sense, follows the above tips, and doesn't undermine another partner. Most brands understand the value of multiple partnerships, but tread carefully or go in a different direction if you are considering strategic partners that could be competitors. Not every business will be in a position to take advantage of strategic brand partnerships. If you are in the early stages,

you may not have the value other brands seek. You also may not be prepared to work with others if you need to build more internal experience and knowledge about the industry and business operations. And that's okay. You can always circle back in the future and consider how a strategic partnership can benefit your business in the long run.

Some other tips for Development strategic partnerships:

1. See beyond what's on the table. Imagine there is one chocolate chip cookie on the table but everyone wants a piece. It's warm, chewy and calling you by name. OK, now imagine there is another whole sheet of cookies baking in the oven. This is the best way I can describe the scarcity-abundance theory. The bottom line is that when we enter strategic partnerships, the dynamic plays out best when we come from a place of abundance.

2. Be clear on your why. Often people enter into partnerships because they don't feel they have enough value on their own. Coming from this place almost never creates a mutually beneficial relationship. The chance of getting burned is almost guaranteed. Be clear on the value you bring to the table. Be honest about why you're interested in creating a partnership and what you bring to the table. Write down the answers to the following: "Why does this relationship benefit my professional and personal growth?" and "What do I expect to gain from this partnership?" This is not a time to hash out your business plan or a mission and vision statement. If you don't have clear answers

3. Understand the why of your potential partners. Do not hesitate to ask a potential partner why he or she is seeking to connect and what he or she is hoping to gain. The answers are not always clear at the outset. Listen carefully to what the other party is saying. Do you have the right chemistry and a shared vision to make this relationship mutually beneficial? If you sense resistance or a lack of clarity, postpone any decision making until your questions are answered completely and you're confident this relationship will be profitable and beneficial to you both.

4. Seek commonality and a shared vision. Certainly everyone comes with different strengths and weaknesses, however, the best partnerships work because the vision and values are shared as well as passion and enthusiasm. These can carry the partnership through any sticking points in negotiations. Remember, the best partnerships work most smoothly when each party's strengths shore up the connection to create elevated and shared success.

5. Don't rush the process. There is no need to hurry into a deal. Sometimes enthusiasm and excitement can blind you to red flags and foibles. Set a follow-up meeting to address next steps so as to be sure that both parties are on board and equally committed. A lack of follow-through by one party could mean stress and strain in the future. Judicious and thorough planning are key.

6. Expect to be uncomfortable. When hashing out details about what each party brings to the table, expect some push and pull. A lot of people become uncomfortable with disagreement. Don't let that be you. By being prepared, you will be clear about where you stand firm and where you can give way. Negotiation is a dance and as the saying goes, it takes two to tango. By holding on for a positive outcome, commit to moving through

sticking points with grace and tact. Expect win-win relationships. Initial enthusiasm can open the door but stick–to–itiveness seals a good deal.

7. Write things down. Great partnerships require great protection. Seal all agreements in writing to avoid messy breakups in the future. This is one of the hardest conversations to have but by far the most important. A great way to phrase this is to say, "I'm really excited about this partnership and I think we will achieve great success together. Because I value our relationship so much, let's put our agreement in writing to protect our interests and ensure our growth as partners. How does that sound to you?"

Granting yourself some protection by signing on the dotted line is brilliance in action. Respect yourself enough to protect yourself and your ideas. Contracts preserve relationships not destroy them.

If a possible partner bristles at signing anything in writing, thank your lucky stars and walk away. Integrity includes clarity of principle. And an agreement in writing seals a relationship and provides a level of security and fairness that is priceless.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What do you know about TATA power?
2. Mentions the tools used for communicating in CSR?

10.4 LET US SUM UP

Every challenge becomes a learning curve to perform and outdo yourself the next time. We realised that next time we will start collecting information way ahead, which primarily means make you Database Management more robust and up to date. Start collecting important information (both text and images) in a separate folder (you can also create sub folders for types of information). This will help you to retrieve information quickly during production.

10.5 ANSWER TO CHECK YOUR PROGRESS

1. Tata Power Company Ltd is India's largest integrated private power company with a significant international presence.
2. Social Media, Films and reports

10.6 UNIT END QUESTIONS

1. Write about TATA power
2. Explain the tools for communicating CSR
3. What are the key factors in development strategic partnerships?

10.7 SUGGESTED READINGS

https://styluspub.presswarehouse.com/browse/book/9781579227555/Creating-Strategic-Partnerships

https://www.amazon.com/Strategic-Partnerships-Entrepreneurs-Ventures-Alliances/dp/B006OI078C

BLOCK- IV CSR IN INDIA, LEGAL PROVISIONS AND SPECIFICATIONS ON CSR

UNIT- XI CSR IN INDIA: AN OVERVIEW OF CSR, RULES UNDER COMPANIES ACT 2013

Structure

11.1 INTRODUCTION

The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 and Rules made thereunder wherein the criteria has been provided for assessing the CSR eligibility of a company, Implementation and Reporting of their CSR Policies. India having the most elaborated CSR mechanism and implementation strategy has started its journey to set a benchmark in attaining sustainability goals and stakeholder activism in nation building. The Companies Act, 2013 passed by the Parliament has received the assent of the President of India on 29th August, 2013. The Act consolidates and amends the law relating to companies. The Companies Act, 2013 has been notified in the Official Gazette on 30th August, 2013. Some of the provisions of the Act have been implemented by a notification published on 12th September, 2013. The provisions of Companies Act, 1956 is still in force.

11.2 AN OVERVIEW OF CSR

In India, the concept of corporate social responsibility has developed in phases. In the 19th century, business families like Tata, Birla, Godrej and others were inclined towards social causes and they continue to do the same now that too in a larger scale. Between 1960-80, when the Indian companies were facing high taxes, licensing and restrictions, private companies got involved in corporate malpractices. This is the time when legislations on corporate governance, labour and environment issues were enacted. CSR was also given a try to be implemented. Post-1980, when licensing was reduced to a certain extent, companies became more willing to contribute towards the social causes as corporate social responsibility. The Companies Act, 1956 had clear provision for CSR but the new Companies Act, 2013 makes CSR mandatory for companies which fall within the ambit of section 135(1). The said section is to be read with the Schedule VII and Companies (Corporate Social Responsibility) Rules, 2014.

CSR in India has evolved through different phases, like community engagement, socially responsible production and socially responsible employee relations. Its history and evolution can be divided into four major phases.

Phase 1 (1850 To 1914): The first phase of CSR is known for its charity and philanthropic nature. CSR was influenced by family values, traditions, culture and religion, as also industrialization. The wealth of businessmen was spent on the welfare of society, by setting up temples and religious institutions. In times of drought and famine these businessmen opened up their granaries for the poor and hungry. With the start of the colonial era, this approach to CSR underwent a significant change. In pre-Independence times, the pioneers of industrialization, names like Tata, Birla, Godrej, Bajaj, promoted the concept of CSR by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. During this period social benefits were driven by political motives.

Phase 2 (1910 To 1960): The second phase was during the Independence movement. Mahatma Gandhi urged rich industrialists to share their wealth and benefit the poor and marginalized in society. His concept of trusteeship helped socio-economic growth. According to Gandhi, companies and industries were the 'temples of modern India'. He influenced industrialists to set up trusts for colleges, and research and training institutions. These trusts were also involved in social reform, like rural development, education and empowerment of women.

Phase 3 (1950 To 1990): This phase was characterized by the emergence of PSUs (Public Sector Undertakings) to ensure better distribution of wealth in society. The policy on industrial licensing and taxes, and restrictions on the private sector resulted in corporate malpractices which finally triggered suitable legislation on corporate governance, labour and environmental issues. Since the success rate of PSUs was not significant there was a natural shift in expectations from public to private sector, with the latter getting actively involved in socio-economic development. In 1965, academicians, politicians and businessmen conducted a nationwide workshop on CSR where major emphasis was given to social accountability and transparency.

Phase 4 (1980 Onwards): In this last phase CSR became characterized as a sustainable business strategy. The wave of liberalization, privatization and globalization (LPG), together with a comparatively relaxed licensing system, led to a boom in the country's economic growth. This further led to an increased momentum in industrial growth, making it possible for companies to contribute more towards social responsibility. What started as charity is now understood and accepted as responsibility.

The list of activities is as follows:

- Eradicating extreme hunger and poverty
- Promoting education
- Promoting gender equality and empowering women
- Reducing child mortality and improving maternal health
- Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- Ensuring environmental sustainability
- Enhancing vocational skills

- Promoting social business projects
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women, etc.

Under 135 (3), the Corporate Social Responsibility Committee should also recommend the amount of expenditure to be incurred on the activities and monitor the Corporate Social Responsibility Policy of the company from time to time.

Under 135 (4), the Board of every company referred to in sub-section (1) should approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website. The Board should also ensure that the activities mentioned in the Corporate Social Responsibility Policy of the company are undertaken**.**

Most importantly**, under 135 (5), the** Board of every company referred to in sub-section (1), should ensure that the company spend at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

11.3 COMPANIES (CSR POLICY) RULES, 2014

For decades, companies in India has been regulated and governed by the outdated Companies Act, 1956. After years of debate and contemplation, The Indian Parliament passed the New Companies Act, 2013. It is divided into 7 schedules, 29 chapters and 470 sections.

It has brought various new features to corporate legislation which include but are not limited to mandatory spending on Corporate Social Responsibility of at least of 2% of net profit, curbing corporate delinquency by introducing punishment for falsely including a person to enter into an agreement with a bank or a financial institution to obtain credit facilities, introduction of new entity called 'one person company', simplified the procedure for mergers and acquisitions, limitation on the number of companies in which the same auditor may be appointed, strengthening the role of women by stipulating appointment of at least one women director in the board room, limit in the number of maximum partners etc.

The Companies Act, 2013 came into force on 12th September 2013. But the provisions of section 135 relating to CSR came into effect on 1st April 2014. The features of Section 135 read with Schedule VII and (Corporate Social Responsibility Policy) Rules, 2014 are described as below:

As per Section 135(1) of The Companies Act, 2013, "every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crores or more or net profit of rupees five crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the board consisting of three or more directors, out of which one director shall be an independent director." Thus, every company having net worth of rupees 500 crore or more or turnover of rupees 1000 crore of more or a net profit of rupees 5 crore or

more in a financial year shall fall within the ambit of CSR provisions. This particular provision is applied to all Indian Companies as well as Foreign Companies.

The Rules clarify that:

- those companies which cease to meet the contribution threshold for three consecutive years are not required to have a CSR Committee or to comply with the other requirements under section 135 until they meet the threshold again;
- any surplus arising out of CSR activities shall not be considered part of a company's business profit;
- a company's CSR policy shall specify the CSR projects and programs to be undertaken, modalities of execution, implementation schedules and monitoring processes;
- companies may choose to conduct their CSR programs through trusts, societies or charitable companies operating in India, provided that if the entity is not set up by the company, its holding or subsidiary or associated company, that entity has been carrying out related activities for at least three years;
- companies may collaborate or pool resources with other companies to undertake their CSR activities, so long as the companies can report separately on those CSR activities;
- CSR activities must be undertaken within India;
- activities that are for the exclusive benefit of employees of the company or their families, contributions to political parties and activities in the normal course of business are excluded from the CSR spending; and
- up to 5% of a company's annual CSR expenditures may be used for capacity building of the company's own personnel or of their implementing agencies.

The Rules also provide situations in which the composition of a company's CSR committee may differ from that stated in section 135; for example, where a private company has only two directors on its Board, the CSR committee will be composed of those two directors.

Also, Schedule VII of the Act, which lists the types of activities for which CSR expenditures can be made, was amended. Activities have been both added and removed from the original list and more detail has been provided as to what types of activities are acceptable. For example, the eradication of hunger and poverty now also includes "promoting preventive healthcare and sanitation and making available safe drinking water."

CSR has gone through many phases in India. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporates. Not one but all corporates should try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social woes.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. Why was CSR introduced?
2. What does company's act all about?
3. How many rules are in Company policy?

11.4 LET US SUM UP

This chapter helps us in understanding the historic background of CSR in India and how was it carried out and implemented before the companies act 2013. We also get to know the in-depth analogy on the companies act, CSR policy rules and its nature in detail.

11.5 ANSWER TO CHECK YOUR PROGRESS

1. The purpose of corporate social responsibility is to give back to the community, take part in philanthropic causes, and provide positive social value. Businesses are increasingly turning to CSR to make a difference and build a positive brand around their company.
2. The Companies Act, regulates the incorporation, responsibilities, directors and dissolution of an organization in India. The newly incorporated Act provides more power to the shareholders and emphasizes more on Corporate Governance.
3. The Companies Act, 2013 has been notified on 30th August 2013 after getting the assent of the President. The Act is having 29 Chapters, 470 sections and 7 schedules.

11.6 UNIT END QUESTIONS

1. Write of the history of CSR in India.
2. Short note on Companies act Rules 2013
3. CSR helps in many ways in building the communities: Justify
4. If you are to bring one change in the companies act 2013, what would it be and why?

11.7 SUGGESTED READINGS

https://www.lexology.com/library/detail.aspx?g=c8fed18d-68e8-49ba-b3ee-acd1775a10d4

https://www.csr.gov.in/Companies%20ACT%202013.php

https://cleartax.in/s/corporate-social-responsibility

UNIT- XII LEGAL PROVISIONS AND SPECIFICATIONS ON CSR – TCCI (TATA COUNCIL FOR COMMUNITY INITIATIVES)

Structure

12. 1 LEGAL PROVISIONS AND SPECIFICATIONS ON CSR

A company is responsible for the repercussions its activities have on the community and it has to take the initiatives as responsibility to make good for the harm done by it. The term corporate social responsibility is synonymous with Corporate Citizenship. Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company but instead promote positive social and environment change. The initiatives and efforts that a company takes as part of corporate social responsibility are more than what is required by environmentalist.

LEGAL VIEWS

The CSR committee of every company which fulfils the criteria specified in sub-section (l) of section 135 is supposed to register a foundation/ institution for undertaking the CSR activities, either under the Trust Act, Societies Act or the Companies Act.

Some of the highlights of the rules are as follows:

- Programs benefitting only the company employees are not considered as CSR activities. Hence the companies must be careful is choosing programs or activities according to the schedule VII.
- Money spent on capacity building of staff under the CSR banner cannot exceed 5% of the expenditure
- CSR expenditure shall include all expenditure including contribution to corpus, or projects related to CSR. But caution should be made to fall within the schedule VII purview.
- Contribution made to any political parties cannot amount to CSR activity

The Companies Rules, 2014 also gives provision for more than two companies to collaborate and undertake CSR programs. The Board's Report of company from the financial year 2014 shall include an annual report on CSR. In case of a foreign company, the balance sheet shall contain an annexure regarding report on CSR.

A format for the annual report given in the rules is presented below:

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects

- The Composition of the CSR Committee.
- Average net profit of the company for last three financial years
- Prescribed CSR Expenditure
- Details of money spent on CSR during the financial year
- Amount unspent if any, reasons
- Manner in which the amount spent during the financial year.

Society's expectations are increasing towards the social development by the companies. So, it has become necessary for the companies to practice social responsibilities to enhance their image in the society. Even though companies are taking serious efforts for the sustained development, some critics still are questioning the concept of CSR. There are people who claim that Corporate Social Responsibility underlies some ulterior motives while others consider it as a myth. The reality is that CSR is not a tactic for brand building; however, it creates an internal brand among its employees. Indulging into activities that help society in one way or the other only adds to the goodwill of a company. Corporate Social Responsibility is the duty of everyone i.e. business corporations, governments, individuals because of the reasons: the income is earned only from the society and therefore it should be given back; thus wealth is meant for use by self and the public; the basic motive behind all types of business is to quench the hunger of the mankind as a whole; the fundamental objective of all business is only to help people. CSR cannot be an additional extra - it must run into the core of every business ethics, and its treatment of employees and customers. Thus, CSR is becoming a fast-developing and increasingly competitive field. Being a good corporate citizen is increasingly crucial for commercial success and the key lies in matching public expectations and priorities, and in communicating involvement and achievements widely and effectively.

After the enactment of the Companies Act-2013, it is estimated that approximately 2,500 companies have come in the ambit of mandated CSR; the budget could touch approximately INR 15,000 – 20,000 crores. It is very likely that the new legislation will be a game-changer, infusing new investments, strategic efforts and accountability in the way CSR is being conceived and managed in India. It has opened new opportunities for all stakeholders (including the corporate sector, government, not-for-profit organizations and the community at large) to devise innovative ways to contribute to equitable social and economic development. Currently, CSR in India is headed in a positive direction as there already exists a multitude of enabling organizations and regulatory bodies such as the Department of Public Enterprises (DPE), Ministry of Corporate Affairs (MCA), and Indian Institute of Corporate Affairs (IICA). These institutions have already set the wheels in motion and are playing an important role in making CSR a widespread practice and in ensuring success in reducing inequalities without risking business growth.

Benefits of A Corporate House Gets from Corporate Social Responsibility

1. **Improves Public Image:**

Positive social responsibility improves a company's public image and relationship with consumers. Companies that demonstrate their commitment to various causes are perceived as more philanthropic than companies whose corporate social responsibility endeavours are non-existent. A corporation's public image is at the mercy of its social responsibility programs and how aware consumers are of these programs. Remember, consumers feel good shopping at institutions that help the community. Clean up your public image (and broadcast it to the world!). Corporations can improve their public image by supporting non-profits through monetary donations, volunteerism, in-kind donations of products and services, and strong partnerships. By publicizing their efforts and letting the general public know about their philanthropy, companies increase their chances of becoming favourable in the eyes of consumers.

1. **Increases Media Coverage**:

Having a strong CSR program can increase the chances that your company gets news coverage. It doesn't matter how much a company is doing to save the environment if nobody knows about it. Companies need to form relationships with local media outlets so they'll be more likely to cover the stories that particular company has to offer them. On the other hand, if a corporation participates in production or activities that bring upon negative community impacts, the media will also pick this up. Unfortunately, bad news spreads quicker than good news. Media visibility is only so useful in that it sheds a positive light on your organization.

2. **Boosts Employee Engagement:**

Corporate social responsibility helps attract and retain engaged and productive employees. Employees like working for a company that has a good public image and is constantly in the media for positive reasons. Happy employees almost always equal better output. Nearly 60% of employees who are proud of their company's social responsibility are engaged at their jobs. When companies show that they are dedicated to improving their communities through corporate giving programs (like matching gifts and volunteer grants!), they are more likely to attract and retain valuable, hardworking, and engaged employees. If a corporation is philanthropically minded, job-hunting individuals are more likely to apply and interview for available positions. Once hired, employees who are engaged will stay with a company longer, be more productive on a daily basis, and will be more creative than disengaged workers.

3. **Attracts & Retains Investors:**

Investors care about corporate social responsibility and so should companies. Investors who are pouring money into companies want to know that their funds are being used properly. Not only does this mean that corporations must have sound business plans and budgets, but it also means that they should have a strong sense of corporate social responsibility. When companies donate money to non-profit organizations and encourage their employees to volunteer their time, they demonstrate to investors that they don't just care about profits. Instead, they show that

they have an interest in the local and global community. Investors are more likely to be attracted to and continue to support companies that demonstrate a commitment not only to employees and customers, but also to causes and organizations that impact the lives of others.

Benefits A Non-Profit Corporate House Gets from Corporate Social Responsibility

1. **Funding Via Matching Gift Programs:** Matching gift programs have the potential to double, and sometimes even triple, an organization's fundraising revenue. Corporations that offer matching gift programs essentially double the donations that their employees are giving to eligible non-profits. What more could an organization want? Truthfully, matching gifts are a bit more complicated than that. Each company has a different set of guidelines, deadlines, and requirements that must be met before they'll match an employee's contribution to a non-profit. However, the opportunity to receive twice as many donations still hangs in the air for organizations looking to benefit from corporate social responsibility programs.

2**. More Volunteer Participation**: Matching gift programs have the potential to double, and sometimes even triple, an organization's fundraising revenue. Corporations that offer volunteer grants are outsourcing helping hands to eligible non-profit organizations. A corporation with this kind of program might offer (for example) $250 to a non-profit once an employee has volunteered at least 10 hours with the organization. There are also pay-per-hour grants that many corporations offer that pay a certain amount per hour volunteered. This kind of socially responsible program is a win-win for every party involved. Employees of corporations are seen volunteering and donating their time to important causes in the community, and non-profits are receiving free time and volunteer work, which are essential for the success of so many non-profits.

3. Forging Corporate Partnerships: CSR brings non-profits and companies together, creating strong partnerships between the two. Yet another positive impact corporate social responsibility has on non-profit organizations is the possibility of corporate partnerships. These partnerships are vital to the work a corporation can do in the local community and important to a non-profit that may not have the resources for major marketing campaigns. For a non-profit organization, a partnership with a local or national corporation puts its name on tons of marketing materials that otherwise could not have been afforded on tight budgets. A key benefit is that the partnership brings additional awareness to the non-profit's cause.

4. Varied Sources of Revenue: Corporate social responsibility programs can be another source of revenue for non-profits. Non-profits cannot solely rely on individual donations for support. Granted, individuals make up roughly three-fourths of an organization's total monetary contributions, but this doesn't mean that non-profits should discount corporations and businesses as viable sources of revenue. In fact, companies with strong corporate social responsibility programs are looking for non-profits to be the recipient of grants, matching gift programs, and volunteer grant programs. CSR initiatives can help non-profits make up that left over 25% after they've looked to individual donors.

12.2 TATA COUNCIL FOR COMMUNITY INITIATIVES (TCCI)

About TATA: Founded by Jamsetji Tata in 1868, the Tata group is a global enterprise, headquartered in India, comprising 30 companies across ten verticals. The group operates in more than 100 countries across six continents, with a mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'.

Tata Sons is the principal investment holding company and promoter of Tata companies. Sixty-six percent of the equity share capital of Tata Sons is held by philanthropic trusts, which support education, health, livelihood generation and art and culture.

In 2018-19, the revenue of Tata companies, taken together, was $113.0 billion (INR 792,710 crore). These companies collectively employ over 720,000 people.

Each Tata company or enterprise operates independently under the guidance and supervision of its own board of directors. There are 28 publicly-listed Tata enterprises with a combined market capitalisation of over $160 billion (INR 11,10,308 crore) as on March 31, 2019.

Companies include:

Tata Consultancy Services, Tata Motors, Tata Steel, Tata Chemicals, Tata Consumer Products, Titan, Tata Capital, Tata Power, Tata Advanced Systems, Indian Hotels and Tata Communications.

Tata Council for Community Initiatives (TCCI)

TCCI was established in 1994. TCCI's mission states: "We will work together to be, and to be seen as, a group which strives to serve our communities and the society at large". TCCI is also involved in assisting Tata companies maintain sustainability reporting the guidelines of Global Reporting Initiative (GRI). It is the focal point for the UN Global Compact in India, which has 42 Tata companies as signatories, the highest in the world from a single business group. In collaboration with the United Nations Development Programme (India), TCCI has crafted the Tata Index for Sustainable Human Development, aiming at directing, measuring and enhancing the community work that Tata enterprises is undertaking for the upliftment and welfare of the people.

TCCI – Tata council of community initiatives Created in early 90's CII (Confederation of Indian Industry) had approached Mr. J.R. D Tata and Mr. R. N Tata for the same. The context was to see how Indian business world respond to its responsibilities. Tata's first decided to look into their own group of companies first and design a framework for them. The significance of can be seen from the involvement of the 2 senior directors in charge of the project

It's not just setting up foundation or trust to pursue philanthropic activities but to embed TCCI into business. The theoretical concept of CSR needs to be integrated into day to day activity. TCCI also helps in exploring strategies that can lead to community development the methodology adopted was not of forceful pushing down of norms but building a consensus among the companies and creating a passion for inclusive growth.

It was never about finding solutions to the ills but about creating sensitivity about them and sharing ideas and expertise to find the most feasible solution. Over 28088 registered volunteers.

Some of the key changes brought are: -

- Setting goals and indicators of human development thus bridging gap between everyday activity and overall growth.
- Improve quality of life for all
- All the efforts and stories are documented for future reference and learning.

TCCI put together key perspectives and common threads and brought out guidelines. Companies enlisted their core competencies to find imaginative and creative ways to meet society needs. Example – TCS led an initiative of adult literacy programme. TCCI took this at group level to take it across 9 states benefiting 1,11,265 people. MBBS course of Maharashtra government has included a course on learning disability for helping children with learning disability.

TCCI encouraged all major companies to uniformly adopt environmental management system such as ISO 14000 series, the global reporting initiatives, and SA 8000. It had an impact on over 85% of companies and 90% of employees.

This reinforces the belief that CSR is about building livelihoods. TCCI helped to reorient programmes to encourage the creation of microenterprises, self-employment, and to promote social entrepreneurship. They did not help in providing eye operations, etc. but they helped in forming SHG, increase income levels, provided skills, etc.

Early forms of CSR were financial grants for various causes These were to indicate the virtues of the company. Few instances e.g. BITS Pilani, the approach was philanthropical.

Philanthropy → Stakeholder

Programs in alignment with their vision and mission statement. Main reasons for shifting were:

- Confinement of investment.
- Negligible Community participation
- Low levels of accountability and transparency issues in implementation phase.

Tata Index for Sustainable Human Development:

TCCI, in collaboration with the United Nations Development Program (India), created the Tata Index for Sustainable Human Development. This was aimed at directing, measuring and enhancing the community work that group enterprises undertake. TCCI is also involved in assisting Tata companies address the sustainability subject through the Global Reporting Initiative, a United Nations initiative that has guidelines for companies on social responsibility. The Tata Index for Sustainable Human Development is a set of guidelines for Tata companies looking to fulfil their social responsibilities. It has been built around the Tata Business Excellence Model (TBEM), an open-ended framework that drives business excellence in Tata companies.

Tata Corporate Sustainability Policy

"No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people."- ***J R D Tata***

The corporate policy of the group encompasses the sustainable development of all the stakeholders.

The major points included in the corporate policy are following:

- Demonstrate responsibility and sensitivity to biodiversity and the environment
- Comply with rules and regulations relating to environment.
- Constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will combat larger issues like climate change and global warming.
- Create sustainable livelihoods and build community through social program pertaining to health, education, empowerment of women and youth, employee volunteering,
- Find ways to enhance economic human, social and natural capital for bringing and maintaining a balance among business, society and environment.

The Tata group sustainability policy articulates how Tata companies create long-term stakeholder value by integrating economic, environmental and social considerations. The policy will help Tata companies to integrate sustainability considerations into all decisions and key work processes, mitigating future risks and maximising opportunities. It embodies the principles of product stewardship by enhancing health, safety, environmental and social impacts of products and services across their lifecycles. Further, under the policy, Tata companies commit to aspire to global sustainability leadership in the sectors they operate in by constituting a governance structure to oversee sustainability endeavours. The governance process, under the aegis of the Boards, identifies relevant sustainability issues and develops comprehensive sustainability strategies with goals, targets, mitigation and adaptation action plans.

The Tata Sustainability Group (TSG) is a group-level resource that works with Tata companies driven by a mission to guide, support and provide thought leadership to all Tata group companies in embedding sustainability in their business strategies and demonstrating responsibility towards society and the environment. As the Tata group's nodal resource on sustainability, TSG performs several roles across the knowledge, advisory and execution functions.

In its knowledge function, TSG brokers, manages and makes available a range of information, best practices and tools. TSG advises the group and group companies on various policies and strategies to review processes and engage with stakeholders. TSG's execution function covers three key agendas which include implementing group CSR programmes like Tata STRIVE, the group volunteering programme, Tata Engage, and responding to humanitarian emergencies.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What does TCCI mean?
2. Write on Companies act 2013.
3. Why is Tata sustainability policy formulated?
4. What is corporate citizenship?

12.3 LET US SUM UP

This chapter gives us an explanation about the legal provisions for Corporate Social Responsibility in India and how it is to be implements and reasons behind it to be made a CSR policy through Company's law of 2013. It also draws attention towards various areas where the companies should involve themselves n activities. We also understand the Tata council of community initiatives, better their responsibilities and their sustainability policies in detail.

12.4 ANSWERS TO CHECK YOUR PROGRESS

1. TCCI means, Tata council of community initiatives, formed in early 90's. The context was to see how Indian business world respond to its responsibilities. Tata's first decided to look into their own group of companies first and design a framework for them.
2. Companies Act 2013, has brought various new features to corporate legislation which include but are not limited to mandatory spending on Corporate Social Responsibility of at least of 2% of net profit.
3. The Tata group sustainability policy articulates how Tata companies create long-term stakeholder value by integrating economic, environmental and social considerations. The policy will help Tata companies to integrate sustainability considerations into all decisions and key work processes, mitigating future risks and maximizing opportunities.
4. Corporate citizenship refers to a company's responsibilities toward society. The goal is to produce higher standards of living and quality of life for the communities that surround them and still maintain profitability for stakeholders.

12.5 UNIT END QUESTIONS

1. What is TCCI and why was it formed?
2. Write down the list of areas allowed through CSR activities to carry out.
3. State companies' rules 2013 and explain its context of origin
4. Write the benefits of corporates and Nonprofit through Corporate Social Responsibility.
5. Write a note on TATA's sustainability policy.

12.6 SUGGESTED READINGS

http://www.legalservicesindia.com/article/2265/Corporate-Social-Responsibility.html

http://www.tatasustainability.com/resources/TSGBrochure2015.pdf

https://www.researchgate.net/publication/268226026_Legal_Framework_for_CSR_in_India

BLOCK- V
TATA MODEL ON CSR AND CSR AWARDS IN INDIA

UNIT-XIII TATA MODEL ON CSR – NATIONAL CSR HUB, TISS MUMBAI – SUCCESS AND FAILURE WITH CSR INITIATIVES

Structure

13.1 CSR – TATA GROUP

Tata Group has adopted a three-pronged approach to fulfil its corporate social responsibility goals “In CSR, at the group level we focus on three broad areas: volunteering, disaster response and group programmes. Tata volunteering initiative, Tata Engage, encourages Tata colleagues to connect with society at large, to develop a deep understanding of our core purpose to improve the quality of life of the communities we serve globally,"

The corporate policy of the group encompasses the sustainable development of all the stakeholders. The major points included in the corporate policy are following:

- Demonstrate responsibility and sensitivity to biodiversity and the environment
- Comply with rules and regulations relating to environment
- constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will combat larger issues like climate change and global warming
- Create sustainable livelihoods and build community through social program pertaining to health, education, empowerment of women and youth, employee volunteering,
- Find ways to enhance economic human, social andnatural capital for bringing and maintaining a balance among business, society and environment.

Contributions for the National Development Highlights:

Tata Health Infrastructure

- Tata main hospital at Jamshedpur
- ICU in Jodi and Balaguer
- CHC in Bari and Kuhika
- Hospitals in Gobarghati, Sukinda, Joda, Belpahar, Belipada and Bamnipal
- Lifeline Express
- The hospital on wheels
- Mobile health clinics
- Centre for hearing impaired children

Tata Educational Infrastructure

- Institute of mathematics
- Sukinda college
- Joda college centenary Learning centre at XI MB
- J N Tata Technical Education centre
- School of hope
- Shishu Niketan
- Balwadi schools assisted by Tata Steel

Tata Sports Infrastructure

- Tata athletics academy
- Tata archery academy
- Tata Football academy
- Tata steel adventure foundation
- Sports feeder centres
- Stadium at Keonjhar

Preservation of culture and Heritage

- Contribution to setting up national Centre for performing arts Mumbai.
- Tribal cultural centres showcase legacy of nine tribes Jharkhand and Orissa.
- Gramshree mela activities.
- In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards." 25487 International Journal of Development Research, Vol. 09, Issue, 01, pp. 25485-25489, January, 2019
- Introducing changes in company's articles (Clause Number 10) for sustaining CSR. Amendments were made to the Articles of Association of the major Tata group companies in the 1970s. Newly included was an article stating that the "company shall be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community. To institutionalize the CSR charter, a clause on this was put into the

group's 'Code of Conduct.' This clause states that group companies had to actively assist in improving quality of life in the communities in which they operated. All the group companies were signatories to this code. CSR was included as one of the key business processes in TISCO. It was one of the eight key business processes identified by TISCO's management and considered critical to the success of the company.

13.2 TQMS

Tata Quality Management Services (TQMS – a division of Tata Sons) had been entrusted with the task of institutionalizing the Tata Business Excellence Model (TBEM). The TBEM provides each company with a wide outline to help it improve business performance and attain higher levels of efficiency and productivity. It aims to facilitate the understanding of business dynamics and organizational learning. TBEM is a customized to Tata adaptation of the globally renowned Malcolm Baldrige model. TBEM model focuses on seven core aspects of operations: leadership, strategic planning, customer and market focus, measurement, analysis and knowledge management, human resource focus, process management and business results. Performance is measured in absolute points; companies have to achieve a minimum of 500 points (out of 1,000) within four years of signing the BEBP agreement. TQMS helps Tata companies use the model to gain insights on their business strengths and opportunities for improvement. This is managed through an annual process of assessment and assurance. The model, through its regular and calibrated updates, is used by Tata companies to stay in step with the ever-changing business environment.

13.3 CSR ACTIVITIES OF TATA COMPANIES FOR SOCIAL DEVELOPMENT

1. **TATA STEEL:** Tata Steel has adopted the Corporate Citizenship Index; Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives. This includes:

Self-Help Groups (SHG's):

Over 500 self-help groups are at present operating under various poverty minimizing programs; out of which over 200 are engaged in activities of income generation thorough micro enterprises. Women empowerment programs through Self-Help Groups have been extended to700 villages. From the year 2003 to 2006, the maternal andinfant survival project had acoverage areaof 42villages inGamharia block in Seraikela Kharsawa and a replication project was taken up in Rajnagar block. For providing portable water to rural communities 2,600 tube wells have been installed for the benefit of over four Lakhs people.

Support for Social Welfare Organizations:

Tata Steel supports various social welfare organizations like;

- Tata Steel Rural Development Society
- Tribal Cultural Society
- Tata Steel Foundation for Family Initiatives
- National Association for the Blind
- Shishu Niketan School of Hope

- Centre for Hearing Impaired Children
- Indian Red Cross Society, East Singhbhum

Healthcare Projects: The healthcare projects of Tata Steel include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects.

***Economic Empowerment*:** A program aiming at economic empowerment through improvised agriculture has been taken up in three backward tribal blocks in Jharkhand, Orissa and Chhattisgarh, and expected to benefit 40,000 tribal people living in over 400 villages in these three States.

Assistance to government: Tata Steel has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand. Over seven lakhs rural and another seven Lac urban population have been benefited by the CSR activities of Tata Steel.

2. TATA MOTORS:

Pollution Control: Tata Motors is the first Indian Company to introduce vehicles with Euro norms. To make environment friendly engines it has taken the help of world-renowned engine consultants like Ricardo and AVL. It has manufactured CNG version of buses and also launched a CNG version of its passenger car, the Indica. Over the years, Tata Motors has also made investments in the establishment of an advanced emission-testing laboratory.

Maintaining Ecological Balance*:* Tata Motors has planted 80,000 trees in the works and more than 2.4 million trees have been planted in Jamshedpur region. Over half a million trees have been planted in the Poona region. The company has directed all its suppliers to package their products in alternate material instead of wood. In Pune, the treated water is conserved in lakes attracting various species of birds from around the world.

Employment Generation the Tata Motors Grihini Social Welfare Society assists employees' women dependents; they make a variety of products, ranging from pickles to electrical cable harnesses etc; thereby making them financially secure.

Economic Capital **For** health, education and women empowerment in rural areas In Lucknow, two Societies - Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed.

Human Capital **Through** a scholarship program Idahoan, the company supports 211 students. Out of these students 132 students are from the marginalized sections of the society. The company has entered into Public-Private Partnership (PPP) for upgrading 10 Industrial Technical Institutes (ITI) across the country.

3. TATA CHEMICALS LTD (TCL):

Tata Chemicals Limited was also the first organization to run world's first hospital on wheels - the Life Line Express, through Jamnagar district for the first time between November 21, 2004 and December 21, 2004. Tata Chemicals is making an effort for sustainability. Sustainability for the group means honesty and transparency towards stakeholders, environmental protection, generating economic value, promoting human

rights and creating social capital. All in all, they have the policy of 25488 Rd. Humayun Rahman and Rd. Ram Singh et al. An overview of car taken by tata group -avoid, reduce and reuse. The company runs a rural development program at Okahandja and Babrala.

4. **TATA TEA:**

Tata Tea has been working sincerely since the 1980s to cater the needs of especially abled people. It has setup the Srishti Welfare Centre at Munnar, Kerala; its various programs provide education, training and rehabilitation of children and young adults with special needs. It has four projects viz:

- The DARE School providing the students with training in basic academics, self-help skills and skills like gardening, cooking, weaving etc.
- The DARE strawberry preserve unit the trainees to preserve natural strawberry are paid, they receive social cover, free medical aid and other benefits.
- Athaliah Provides vocational training to physically challenged persons in the art of making recycled paper
- Arana Disabled people are given training in various natural dyeing techniques including block printing, batik work, etc.

5. **TISCO:**

It is the only Indian company trying to put into practice the Global Compact principles on human rights, labour and environment. TISCO was also conferred the Global Business Coalition Award in 2003 for its efforts in spreading awareness about HIV/AIDS.

6. **TELCO**:

It has started community development activities for the benefit of TELCO families and local residents in 1973 like: To help the families of employees develop better living standards by organizing extension education programs, training in various trades/skills and providing opportunities to earn additional income. It is fighting against Leprosy at Jamshedpur.

7. **Tata Relief Committee:**

Tata Relief Committee (TRC) works to provide relief at disaster affected areas. During natural calamities there are two phases of assistance –

(a) relief measures and

(b) rehabilitation program.

After the Gujarat earthquake the group built200 schools in two years and they rendered help during the Orissa floods when people lost cattle. Even after the Tsunami disaster members of TRC immediately reached the places and supplied the things required.

13.4 NATIONAL CSR HUB, TISS MUMBAI

In March 2010, Department of Public Enterprises (DPE) issued a set of guidelines on Corporate Social Responsibility in order to formalise the

way CSR is done in the Public Sector Undertakings (PSUs). This move led to the formation of National Corporate Social Responsibility Hub (NCSR Hub) which would perform the following functions:

- Nation-wide compilation, documentation, and creation of database
- Advocacy and Research.
- Preparation of Panels of Implementing organisations/ monitoring and valuation Agencies.
- Promotional activities, including production of short films, printing of brochures, pamphlets etc.
- Conferences, Seminars, Workshops - both national and international.
- Act as a Think Tank.
- Any other matter as entrusted to it from time to time by the Department of Public Enterprises (DPE).

The NCSR Hub was formally launched on 21st March, 2011 to focus on the mammoth task of developing a strategic framework for CSR in India. The Hub strives to assist an enterprise by guiding them towards appropriate business processes and by building strategies to fulfil the social responsibilities of an organisation which helps them evolve their relationships with stakeholders for the common good, and demonstrates their commitment by adoption of responsible business practices.

Tata Institute of Social Sciences National Corporate Social Responsibility (CSR) Hub was set up to facilitate the development of a holistic and relevant CSR approach, and provide common strategic directions and plans for companies to achieve greater impact with their CSR initiatives.

13.5 SUCCESS AND FAILURE WITH CSR ACTIVITIES

SUCCESS WITH CSR INITIATIVES:

CSR for Company lies in their strategies and ordinary operations as remarked by far most of the masters in the midst of the research. CSR in Indian Industry needs a more broad look appeared differently in relation to exchange parts where other than gathering engagements, more noteworthiness ought to be given to issues, for instance, the kind of credit, the bank is giving, to whom the credit is being given and specifically how valuable is the money being used. CSR ought to be worked by Company in their system, inward, instead of looking outside.

It is found in the audit that Company like Tata has grasped such a culture where a whole division is overwhelmingly associated with towards Project Management practices and budgetary examinations are coordinated. It has a Carbon Disclosure Management System additionally in line to screen its carbon outpouring. Mahindra and Mahindra Company too has endeavoured a couple arranges as indicated for its situation examine towards up liftmen of poor people and triple essential concern approach. Tata Company has scored most critical to the extent its exertion, presentation techniques, straightforwardness and obligation. BPCL (BHARAT Petroleum Corporation restricted) is one among little Company that has devised an alternate CSR presentation report which is exceptional in case of modern Sector. The company nearby BPCL has done massively well to impact its advantages inside the social estimations.

It is moreover imperative and highlighted in the research that few Company have set up an alternate Foundation of them to wear down CSR and Sustainable Development issues. Some of these foundations are:

- Tata
- Reliance
- Larsen &Toubro

Few others like the Mahindra and Mahindra and BPCL add to CSR through them beneficent trusts and society. As a fundamental analysis, it is found that for some Company, CSR is all in all a Brand Building Exercise instead of a vow, however the advancing competition and making a brand in customers and distinctive accomplices' eye too much shows up a win-win condition for all.

As indicated, creating trusts and foundations, rather than alternative markets like social endeavours, is a most adored course of CSR practice by Indian companies. In an indistinguishable route from other distinctive countries, the amount of foundations in India is expanding tirelessly in the latest couple of decades. Various foundations have been set up to give giving. A normal 100 corporate foundations are incorporated into CSR practices in India. In any case, such trusts and foundations for the most part work at a sheltered separation from the company, keeping the mainstreaming of CSR into the middle business methodology and confining CSR to gathering progression so to speak. On the off chance that there ought to be an event of India, the research from substance analysis done in light of CSR reports reveals that most existing CSR programs in India have tended to focus on the overall public driven estimation with element aggregate venture at all levels.

Overall, surmising out few Case Studies for example, it could be assumed that the Industrial Industry Between 2013-14till 2015-16. India has grasped CSR unequivocally and there is much care and relationship from this Company towards Social Up liftmen and Commitment. Also, in light of evidences, the research found that the Public Sector Company (Nationalized COMPANY) had beaten the PRIVATE Sector Company in India towards their devotion to general CSR mediations. Regardless, an entrancing point to note is that the Public Sector Company are not found a great deal to plug or brand their CSR demonstration when stood out from the Private Sector Company which are get-together various respects in print media and respect limits. Still, the general Indian Industrial Sector has performed well starting late on their understanding and exercises towards the social obligation. There are issues of concern where CSR ought to be taken into the inside game plan of Industrial operations and regular activities as opposed to taking Community based endeavours that are more suitable to various sections like land, oil and gas and FMCG. Keeping cash needs more social mindfulness towards Project Financing, Social Investments and Utilization of Funds by end customers, which is a bit of their system and a skilled undertaking.

Company also needs to splash up Global Declarations like that of the Equator Principles, UNDP FI and so on expect an essential part in this as to bring the dealing with a record industry under the scanner of national and overall traditions that urges Company to look for after activities towards CSR and Sustainable Development. In future to develop help enlistments as for CSR practices in Indian industrialize Community and

meanwhile it could be an eye-opener for some Indian Company who are still not leap forward or sensitive towards the Social Community which are just their energy or target customers.

The Company, who may take CSR as an element of their Strategy and regular operations, are positively expected that would find a prevalent picture among the overall population and a thick resource report toward the end of looking for after year stood out from those rejecting the commitment or escaping from gathering hypotheses. From now on, Indian Company needs to figure out how to consolidate CSR as a part of their Business Mission and their Vision.

CSR: A Failure

Mandating CSR for businesses will not do any good unless there are proper mechanisms for its enforcement. One of the main hindrances that stand in the way of effective CSR enforcement is finding credible projects that the corporates can support. According to Guardian, bigger charities are being flooded with money, while the smaller charities have to seek their way for finding of funds due to which they lack the resources and capacity to cope up with the company's bureaucratic and operational demands.

According to KPMG Report, geographic bias with respect to the company's funding of CSR activities is also prevalent, as firms tend to fund those projects that are closer to where they are based. This results in industrialized areas getting preference over the poorer and underdeveloped areas that are truly in need of some development and aid.

Fear that the companies would find their way to avoid shelling out money for CSR activities has appeared to be well founded. A survey by accountancy firm KPMG found that 52 of the country's largest 100 companies failed to spend the required 2% last year. A smaller proportion has gone further, according to an Economic Times investigation, allegedly cheating the system by giving donations to charitable foundations that then return the monies minus a commission. The main problem with the CSR is the reported expenditure on the projects. Most firms don't mention the exact amount of expenditure spent by them on the CSR activities. Due to this, it becomes very problematic for the government to comprehend the exact amount of funds spent by the firms in this relationship because there is evidence showing that the firms were initially spending less than 2% increased their CSR activity, but those that were initially spending more than 2% reduced their CSR expenditure.

But, even if we were to take the CSR expenditure at its face value and assume the validity of all the numbers reported, there are still major issues that are to be dealt with. An expenditure that does not lead to higher profits for firms is treated as a tax by them. According to the KPMG, the corporate tax rate in India i.e. 34.61% is one of the highest in the world, compared to a global average of 24.09%. So, the CSR is viewed by the firms as a 2% tax, albeit it is not paid to the government but many companies consider the 2% CSR expenditure as another way of burning their pockets.

Even though there has been a substantial increase in the social activities incurred by the firms, but the spending has mostly gone to the set priorities of the company rather than the democratically determined priorities. Of the nine different schedules prescribed by The Companies Act, 2013 two schedules: combating various diseases and promotion of education

accounted for 44% of the total CSR expenditure while reducing child mortality received no funding and eradicating extreme hunger and poverty received only 6% of the total CSR expenditure.

The fact that about 50% children in India are malnourished due to acute poverty, relief and care only appears as a distant dream to them. It is the government's duty to determine and fulfil the needs of the society by channelizing the funds of the public. With the CSR law, the government has failed in one of its primary functions.

The issue of geographic inequity also needs to be taken into consideration as there is a wide amount of gap in spending on CSR activities between the states of India. For example, Maharashtra, Gujarat, Andhra Pradesh, Rajasthan and Tamil Nadu account for well over one-quarter of all CSR spending. Towards the bottom of the list are Nagaland, Mizoram, Tripura, Sikkim and Meghalaya—all from the North-East.

This inequity reflects the interests and priorities of the business sector. Therefore, it is the duty of the government to ensure that the society moves towards a more egalitarian society.

13.6 ISSUES HINDERING THE CORPORATE SOCIAL RESPONSIBILITY

The earlier government used to rely on legislation and regulations for regulating the objectives of the business sectors. But, the reduction of government involvement in CSR has resulted in the exploration of non-voluntary actions.

To ensure that CSR becomes a success, it is necessary that there should be a consensus among the local agencies. But, a lack of consensus, results in duplication of activities by the corporates which further results in generating a competitive spirit between the local agencies rather than a collaborative approach.

The success fruit of CSR can only be plucked when there exists knowledge about the CSR activities within the local communities. Since not much efforts have been put in creating awareness about the CSR activities, thereby it has resulted in a lack of interest on part of local communities in participating towards CSR activities.

Also, there is non-availability of well-organized governmental or non-governmental organizations in remote and rural areas. Due to the absence of any proper authority, the needs of the rural people often get unnoticed and there remains no proper authority along which a company can assess and identify the needs of the society.

Further, the key to any successful CSR initiative is transparency, but there are certain perceptions that partner NGOs or local agencies do not disclose the information about their programs, address concerns, assess Impacts and utilize funds. This lack of transparency creates an indelible impact on the relationship and trust between the companies and local communities which is the key to the success rate of any CSR initiative.

In order to ensure that the CSR activities are carried out in an efficient and effective manner, it is necessary to ensure that each organization and institution is well equipped with proper resources. But due to a dearth of trained and effective organizations, fulfilment of CSR initiatives, appears

to be a distant dream. This results in the compromise and limitation of various CSR initiatives.

Various analysis shows that the law in its current form is failing to promote healthy CSR initiatives due to its poor enforcement and lack of clear obligations. The legal provisions related to CSR contains vague language which results in a high degree of self-interpretation. Another flaw from which the CSR has to struggle is that the Act doesn't penalize a defaulter and just allows them to walk away with an explanation regarding their failure on CSR activities. This results in high corruption, low levels of public confidence, low development and weak institutions.

Check your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. What are the 3 approaches of Tata?
2. List down the initiatives of CSR at Tata Motors
3. Write on National CSR hub?
4. State a few reasons why CSR was a failure?

13.7 LET US SUM UP

This chapter elucidates the details of how and what CSR model is been followed by Tata, what are the various initiatives and activities carried out. We also understand the TISS Mumbai's national CSR hub and its duty and purposes. The chapter enlists the various impacts and failures of CSR with the social realities and how they have navigated in the purpose forward or vice versa.

13.8 ANSWER TO CHECK YOUR PROGRESS

1. In CSR, at the group level we focus on three broad areas: volunteering, disaster response and group programs, Tata Engage and Tata Volunteering Initiative.
2. Initiatives taken by tata motors are, Pollution Control, Maintaining Ecological Balance, Employment Generation, Economic Capital For health and Human Capital.
3. NCSR Hub plays an instrumental role in shaping CSR landscape in the country through its extensive research and knowledge-based advisory services. National CSR Hub has been positioned to facilitate CSR engagement of corporates. The Hub has set up 'Capacity Building and Training Vertical' that extends learning support to CSR leaders and professionals through various initiatives.
4. The success fruit of CSR can only be plucked when there exists knowledge about the CSR activities within the local communities. Since not much efforts have been put in creating awareness about the CSR activities, thereby it has resulted in a lack of interest on part of local communities in participating towards CSR activities.

13.9 UNIT END QUESTIONS

1. Write on the CSR initiatives by Tata Group?
2. Note on the issues hindering the corporate social responsibility.
3. Explain impacts and failures of CSR in India
4. Write in detail on Tata's infrastructure in health and Education.
5. If you are in charge of a company's CSR initiatives, what would be the activities you will carry out and why?

3.10 SUGGESTED READINGS

https://www.researchgate.net/publication/334416766_AN_OVERVIEW_OF_CSR_TAKEN_BY_TATA_GROUP

https://shodhganga.inflibnet.ac.in/handle/10603/208621

https://blog.ipleaders.in/csr-triumphs-failures/

UNIT-XIV CSR AWARDS IN INDIA - ROLE OF SOCIAL WORKER IN CSR

Structure

14.1 CSR AWARDS IN INDIA

India is the first country to make the Corporate Social Responsibility (CSR) mandatory in 2014 following an amendment to the Companies Act 2013. Before the Companies Act 2013, it was purely the company's choice whether to involve in CSR activities or not. With the amendment all the companies with a minimum net worth of INR 500 crore, turnover of INR 1,000 crore, or net profit of Rs 5 crore are required every year to spend at least 2% of their average profit for the previous three years on CSR activities. It has been five years since the law came into action and in order to commemorate the efforts taken by the companies the government announced the National CSR Awards. The government of India hosted the first National Corporate Social Responsibility Awards (NCSRA) on 29th October 2019 in New Delhi. It was instituted by the Ministry of Corporate Affairs to recognize companies for their outstanding contribution in area of Corporate Social Responsibility (CSR) to achieve inclusive growth and inclusive and sustainable development. These awards are the highest recognition in the field of CSR given by the Government of India and was given by the President of India, Shri Ram Nath Kovind. This year 528 entries were received for NCSRA. After shortlisting, 131 companies were invited for detailed submissions which were then followed by field verification of the claims made by the companies. Based on the submissions by the companies and reports of the independent assessment by CSR experts, Jury recommended 19 winners and 19 honorable mentions across the three award categories.

The 3 award categories were:

1. Corporate Awards for Excellence in CSR
2. Corporate Awards in CSR in Challenging Circumstances
3. Up to Eleven Awards to be given based on contribution to National Priority Schemes so as to motivate corporates to spend in these areas

India CSR has sought nominations for the prestigious Corporate Social Responsibility (CSR) awards that will recognise companies that have made a positive impact through such activities.

8th edition of prestigious India CSR Awards that recognise excellence in corporate social responsibility is here! The prestigious award recognises the most admired and outstanding CSR initiatives in the country and acknowledges the notable contributions that are raising benchmarks by bringing transformative change in the society through innovation and

excellence. The Award Ceremony will be held in Mumabi during the mega India CSR Leadership Summit – CSR for SDGs Goals in the month of May 2020. The India CSR Awards 2020 seeks to recognise the companies that have positively impacted both business and society by taking a strategic approach to CSR through collaborative programme.

Nominations Open

The Awards with more than 20 categories is open to all companies registered in India. It is open for nomination by all companies, corporate funded foundations and partnerships. We invite your organisation to be the part of the 8th edition of India CSR Awards 2020 in respective categories.

Your organizations will be invited to present a case study before the jury or jury will be visiting the CSR Project locations and will have interaction with CSR management.

We have received nominations on various successful programmes from esteemed organisation across the nation for India CSR Awards 2020.

1. Ashok Leyland
2. Village Social Transformation Foundation (Govt. of Maharashtra)
3. Pernod Ricard India Private Limited
4. Mahindra Rural Housing Finance Limited
5. Mahindra Insurance Brokers Ltd.
6. CybageAsha Trust – Cybage Software Pvt. Ltd.
7. Khushboo Charitable Trust
8. ReNew Power Pvt Limited
9. Dharampal Satyapal Limited (DG Group)
10. Dabur India Limited
11. Jagran Pehel
12. Serve Samman
13. EPAM Systems India Private Limited
14. Perfetti Van Melle India Private Limited
15. Godfrey Phillips India Limited
16. Hindalco Industries Limited

Ministry of Corporate Affairs, Government of India has instituted National Corporate Social Responsibility (CSR) Awards to recognize companies that have made a positive impact on the society through their innovative & sustainable CSR initiatives. This award is the apex recognition of CSR initiatives in India. Recognize the companies that have positively impacted both business and society by taking a strategic approach to CSR through collaborative program. Recognize the companies that are leading transformation by integrating sustainability in their core business model. Recognize companies for implementing measures for conservation and sustainable management of the biodiversity and ecosystem in the value chain. Identifying innovative approaches and employing application and technologies that will help to build a robust CSR programs to further the

cause of inclusive and sustainable development. With the enactment of Companies Act, 2013 containing the CSR provision under Section 135, the mandate for CSR has now become a part of corporate governance. Schedule VII of Companies Act, lists the activities to be undertaken under CSR by the companies as per the prescribed thresholds. The CSR activities, undertaken by the private and the public sector companies, are now expected to have strategic approach as opposed to mere charity, donations etc. and to bring innovative solutions to development issues.

National CSR Awards seeks to recognize outstanding CSR projects / programems in following three categories:

i) Four awards for Excellence in CSR, based on CSR spend

ii) Five awards for CSR projects in Aspirational Districts/ difficult terrains

iii) Eleven awards for CSR projects in National Priority Areas

Three awards, one each in above three categories are reserved for Micro, Small and Medium Enterprises (MSMEs)

First National CSR Awards was successfully carried out in the year 2019, winning and honourable mention companies were conferred awards in different categories in the presence of Hon'ble President of India, Hon'ble Minister of Finance and Corporate Affairs and Minister of State for Finance and Corporate Affairs on 29 October 2019. Nominations are now invited for National CSR Awards 2020. In accordance with the Scheme of National CSR Awards, only following organizations have been designated to make nominations under different categories of the awards:

- Ministries/ Departments of Government of India
- State Governments & Union Territory Administrations
- Professional Institutions: ICSI, ICAI, ICMAI
- National Level Trade and Industry Chambers

14.2 ROLE OF THE SOCIAL WORKER

The transformation from industrial social work to corporate social responsibility points out a definite shift in the realm of social work, goal, objective and priorities of business. Over the past several decades social workers around the world have successfully been able to integrate with the modern production and business processes, particularly in addressing the emergent needs of the industrial population like those arising out of the psychosocial impact of workforce alienation, over-specialization, competitiveness, and stress and fatigue on their life. Over all these years, as there has been a major transformation in defining human beings in the context of business from human resource to human capital, the corporate has also been restructuring its role in revitalizing its human resources alongside taking care of the vast external stakeholders (customers) through its new slogan of 'corporate social responsibility'. But this new configuration lends itself to the process of self-examination and the litmus test remains. Is corporate social responsibility a new area structured to delineate the corporate's idea of greater variety of social services for humankind; or just one more catchphrase used to establish the fact that business houses are doing 'a lot more' than mere expansion of industrial social work; or has there been a change in the principal objective and priority of the corporate at the back of starting these programmes.

Corporate social workers take on many roles, including some of the following:

- Managing Corporate Social Responsibility
- Corporate Officers
- Life Management
- Human Resources

Companies often find that social workers' training in social justice issues make them the right fit for carrying out their CSR plans. As a result, many larger firms will hire a director or manager of corporate social responsibility. Having a social worker at a high level in a corporation, with social workers as corporate officers, could have helped some large, prominent companies avoid the scandals that have plagued them in recent years, and could have prevented the accompanying bad press. Today, firms are learning that lesson.

Some companies are hiring social workers for nontraditional roles:

Wells Fargo Bank has hired social workers to focus on life management issues, such as the financial challenges associated with aging. Google has hired a social worker to review privacy and user policies. Other tasks that a social worker can help carry out include conducting community needs assessments, which will help a company decide which philanthropic activities would be most beneficial to the area in which it is located. As the appetite for corporate volunteerism increases, the role of social workers becomes more essential. They can help assess the key needs—and deficiencies—of the community, and see where those needs align with the values of the company.

The Transition from Social Work to Human Resources:

Trained social workers have skills that are easily transferable to the corporate world; this is especially true in the area of human resources. Why do human resources professionals with degrees in social work succeed? The reasons are many.

- Since social workers often study diversity and inclusion, they might be better prepared to help a company hire a workforce that reflects the diversity of society at large
- Since social workers are often trained in providing therapy, they could be best suited to deal with harassment or discrimination claims
- Additionally, as social workers are adept at understanding relationships, interpersonal dynamics and human behavior, they can coach workplace groups to increase productivity and fulfill short- and long-term objectives

Social workers are also skilled at helping companies manage change— for example, helping navigate the challenges that arise when a merger between two companies, with two different cultures, takes place. Social workers are trained in the concept of systems theory and, further, to recognize how small changes in one part of a system creates alterations in other parts of the system. Companies are increasingly aware that, to have a financially healthy organization, their workforce likewise must be healthy. Many

companies hire occupational social workers to help make workplaces safer and help employees find work-life balance.

Research study: To an increasing degree, occupational social workers help formulate employee assistance programs (EAP) that offer assessments, counseling, and referrals to workers who have challenges at work or in their personal lives, and to identify and address "stressors." Studies conducted in 2009 found that three-quarters of U.S. organizations had some form of EAP for their workers. More recent EAP services offered by company-hired social workers include crisis management, training and education on mental health problems, elder and childcare issues. They also help employees deal with substance abuse, domestic violence, divorce or military deployments. Other tasks carried out by social workers include so-called "360-degree evaluations," which enable individual workers to receive feedback from co-workers, superiors and clients.

Through 360-degree evaluations, employees can see where their skills and behaviors align with the goals and values of the corporation: Social workers may be called upon to evaluate the organization as a whole, carrying out a systematic overview of the company's work environment, processes, problem-management and organizational structure.

Check Your Progress

Note: a. Write your answer in the space given below

b. Compare your answer with those given at the end of the unit.

1. India is the first country to make the Corporate Social Responsibility (CSR) mandatory in the year ____________
2. When and where did the government of India hosted the first National Corporate Social Responsibility Awards (NCSRA)
3. Expand EAP
4. State a few words about the first national CSR awards.

14.3 LET US SUM UP

To sum up, according to the national association of social workers (nasw), "the primary mission of the social work profession is to enhance human well-being and help meet the basic human needs of all people, with particular attention to the needs and the empowerment of people who are vulnerable, oppressed, and living in poverty…." Paypal "give teams" take part in worldwide community-based non-profit groups to improve the communities where they live and work. Hormel foods are committed to creating a culture of inclusion and diversity in its global workforce. The demand for social workers in the economy as a whole is anticipated to grow. Last year, the bureau of labor statistics predicted growth of nearly 11% in the field by 2028.

14.4 ANSWER TO CHECK YOUR PROGRESS

1. India is the first country to make the Corporate Social Responsibility (CSR) mandatory in 2014.
2. The government of India hosted the first National Corporate Social Responsibility Awards (NCSRA) on 29th October 2019 in New Delhi.

3. EAP -employee assistance programs
4. First National CSR Awards was successfully carried out in the year 2019, winning and honourable mention companies were conferred awards in different categories in the presence of Hon'ble President of India, Hon'ble Minister of Finance and Corporate Affairs and Minister of State for Finance and Corporate Affairs on 29 October 2019.

14.5 UNIT END QUESTIONS

1. Explain the CSR awards in India.
2. Highlight the role of Social Worker in CSR

14.6 SUGGESTED READINGS

Benioff, Marc (2004), 'The Future of Corporate Social Responsibility', Economist, 22 January.

Cowe, Roger (2003), 'Performance Management: Verifying the Facts is a Difficult Task', Financial Times, 29 September, 4.

Heyman, Margaret M. (1971), 'Employer-sponsored Programs for Problem Drinkers', Social Casework, November, 547–52.

Jones, Otto F. (1975), 'Insight: A Program for Troubled People', in Richard L. Williams, and Gene H. Moffat, eds, Occupational Alcoholism Programs, pp. 257–58 (Springfield, IL: Charles C. Thomas).